

IN THE COURT OF THE TRANSPORT TRIBUNAL

TRANSPORT ACT, 1947, AS AMENDED BY TRANSPORT ACT, 1953

SOUTHAMPTON
UNIVERSITY
Parliamentary
Papers
Library

IN THE MATTER OF THE APPLICATION OF THE
BRITISH TRANSPORT COMMISSION (1960 No. 2)

FOR THE ALTERATION OF THE
BRITISH TRANSPORT COMMISSION (PASSENGER)
CHARGES SCHEME, 1959

AND

IN THE MATTER OF THE APPLICATION OF THE
BRITISH TRANSPORT COMMISSION (1960 No. 5)

FOR THE ALTERATION OF THE
BRITISH TRANSPORT COMMISSION (PASSENGER)
CHARGES SCHEME, 1959

FRIDAY, 17th FEBRUARY, 1961

SEVENTH DAY



LONDON: HER MAJESTY'S STATIONERY OFFICE

1961

PRICE £1 5s. 0d. NET

PROCEEDINGS OF THE TRANSPORT TRIBUNAL

FRIDAY, 17th FEBRUARY, 1961

PRESENT:

SIR HUBERT HULL, C.B.E. (*President*)

J. C. POOLE, Esq., C.B.E., M.C.

H. H. PHILLIPS, Esq., O.B.E.

Mr. E. STEWART FAY, Q.C., and Mr. T. R. CRAWFORD (instructed by Mr. M. H. B. Gilmour, Chief Solicitor to the British Transport Commission) appeared on behalf of the British Transport Commission.

Mr. R. W. GOFF, Q.C., Mr. LEON MACLAREN and Mr. GEORGE MERCER (instructed by Mr. J. G. Barr, Solicitor to the London County Council) appeared on behalf of the London County Council, Middlesex County Council and the Surrey County Council.

Mr. LEON MACLAREN (instructed by Mr. G. E. Smith) appeared on behalf of the County Borough Councils of West Ham, East Ham and Croydon, and the Borough Councils of Walthamstow and Leyton.

Mr. S. H. NOAKES (instructed by Mr. W. O. Dodd) appeared on behalf of the County Borough Councils of Brighton, Eastbourne and Hastings.

Mr. G. B. H. CURRIE, M.P. (instructed by Mr. W. P. W. Elwell) appeared on behalf of the Folkestone and Kent Coast Railway Travellers' Association and the North East Kent Railway Travellers' Association.

Mr. E. R. FARR, Town Clerk, appeared on behalf of Barking Borough Council and the South Essex Traffic Advisory Committee.

Mr. PHILIP M. VINE, Deputy Town Clerk, appeared on behalf of the County Borough Council of Southend-on-Sea.

Mr. C. W. WINNICOTT, represented the Bishop's Stortford Season Ticket Holders' Association.

Mr. F. A. RULER, represented the Federation of Residents' Associations in the County of Kent.

Mr. CHARLES SARSON, represented the Chelmsford Railway Users Association.

MR. BRIAN HUGO HARBOR, recalled

Cross-examination by MR. GOFF continued

1524. I would like to ask you some questions about the practicability of our proposal for single stage and half-mile charging. One of the objections you took yesterday was that it would be difficult for the conductors to get round the buses if that were introduced,—I think I framed the answer in this way, that it would make the process of ticket issuing slower and more complicated because the conductor would have more fares to remember. I think the inevitable consequence of that is that it would take more time to get round the bus.

1525. I thought you were dealing with the complaint that as you get the shorter stage he would have less long in which to get round the bus. Is your objection simply the difficulty of memorising more fares?—No, it is the time.

1526. So far as the difficulty of getting round the bus is concerned, having introduced the half-mile stage at the low level of $1\frac{1}{2}$ and $2\frac{1}{2}$, the damage is done, is it not?—I do not think so. We have introduced one half-mile stage so far and we propose to introduce another if these additional powers are granted. I do not think two half-mile stages inserted in the fares scale will make impossible the job of the conductor. It is obviously going to complicate his work, but I do not think it will make it impossible.

1527. I am not considering at the moment any question of having to memorise more fares, it is the question of having to get round the bus in a shorter interval. People may go $1\frac{1}{2}$ miles or $2\frac{1}{2}$ miles from any stage on the route, may they not?—Yes.

1528. Therefore, once that is introduced, he has got to keep going round within the half or the single stage?—Trying to get round.

1529. And the fact that you introduce single stages for higher levels is not going to make any difference to that aspect of the matter at all?—I think it will, because there will be more fares on these half-mile stages.

1530. So far as memorising is concerned it may have an effect, but so far as the necessity of getting round the bus in the single stage instead of the double stage is concerned, it cannot make any difference at all?—Well, Sir, I agree with you that memorising is the difficulty which we are leaving on one side at the moment. The ability to get round the bus within the half-mile stage is an ideal which the efficient conductor must strain after, and most of the efficient conductors do that; but there are difficulties in getting round the bus within the half-mile, very acute difficulties, because the conductor is not only charged with the duty of collecting fares—and that is a very important duty—he is also charged with the duty of supervising the boarding and alighting of passengers.

1531. Yes, indeed, but once you have introduced the half-mile stage at $1\frac{1}{2}$ and $2\frac{1}{2}$, then, so far as it can be done, he ought to get round his bus within the half-mile everywhere?—That is true, yes.

1532. And the fact that you introduce the half-mile at $3\frac{1}{2}$ and $4\frac{1}{2}$ is not going to make any difference at all from that point of view, is it?—Except to this extent that, I think, those additional fares will slow up the process of getting round the bus.

1533. Why?—because he needs to memorise more fares?—Yes, and to issue more tickets.

1534. He does not need to issue more tickets, does he?—I ought to have added "more tickets of different denominations".

1535. He issues those, I think, from a machine, does he not?—Yes.

1536. And that is geared at the moment, is it, to a minimum 3d. stage, and you have got a 1d. interval at 5d. and 6d.; so it is geared to a penny interval there?—Mr. Goff, I could give you the exact gearing of the machine.

1537. That might be helpful.—The machine which is provided—our standard Gibson machine that is—is pro-

17 February, 1961]

Mr. BRIAN HUGO HARBOUR

[Continued]

vided for 14 different fare denominations, and they are as follows: There is a denomination marked "A" which we use for early morning fares and other exceptional fares, and then we have 1d., 1½d., 2d., 2½d., 3d., 4d., 5d., 6d., 7d., 8d., 9d., 10d., and 11d. The fares below 3d. are mainly used for children's issues, and, of course, where fares are required above 11d. the conductor has to issue two tickets in order to equate the fare for the journey.

1538. He has 1d. stages all the way up to 11d? He has halfpennies as well at 1½ and 2½, and thereafter a 1d. stage up to 11d?—On the machine there are 1d. denominations.

1539. Then you do not seriously suggest that introducing 1d. rises at single stages instead of 2d. rises at two stages would create any difficulty at all in issuing the tickets when he went round, do you?—I do, Mr. Goff? You say "any serious difficulty", and that is a qualification, but I do suggest it would complicate the work of these conductors.

1540. In any event, he has got to do it for 1½ miles, and in your proposals he would have to do it for 2½ miles?—True.

1541. You produced to us an Exhibit C2, did you not?—This is one that came in after the hearing started?—Yes.

1542. It is headed: "Passenger Journeys from ordinary fares", and it is a mileage table. That really means, does it, the mileage of passenger journeys at ordinary fares, or calculated from journeys at ordinary fares? Is that the meaning of that heading?—I do not think I can be looking at the same document as you. I have Exhibit C2 (1961).

1543. It has two sections, a top and a bottom one?—Yes.

1544. The top one is marked "A" and the bottom one is marked "B"?—That is true.

1545. The first part is a schedule of receipts and the second part is a schedule of mileage?—A schedule of passenger journeys.

1546. It is the number of journeys, is it?—The number of journeys taken at these fare denominations.

1547. I did not quite follow the language "passenger journeys from ordinary fares". It means passenger journeys at ordinary fares, does it?—Yes.

1548. (President): It corresponds, Mr. Harbour, with C2 in the 1959 Inquiry, which is printed at page 115?—Yes, Sir.

(President): Mr. Goff, I am waiting to see whether we want to have this as a printed Exhibit or not. It depends how many questions you are going to ask.

1549. (Mr. Goff): I do not want to put it in unless you think it necessary, but I will do so if you think it would help at all. (To the Witness): If you take the Central road services single fare up to 6d., that represents journeys up to two miles, does it not?—Yes.

1550. Then in column 3 you have the percentages?

(President): It you want to add them up, Mr. Goff, it is about 50 per cent., I think.

1551. (Mr. Goff): I am afraid I had the wrong column. (To the Witness): If you take column 5, you get the percentages on Central road services, and if you add up the percentages up to the 6d. fare you get a total of 76.57, do you not?—You do.

1552. So that up to two miles covers 76.57 per cent. of all the journeys on Central buses at ordinary fares; is that right?—That is it.

1553. If you take the Country buses and perform the same exercise, you get 68.16 per cent., do you not?—I have not added those, but I will take your addition.

1554. If you go back now to take the railways, the same exercise, I am instructed, produces the result of

32.82?—I have not added them, again, but I should think that is right.

(President): Only 32 per cent.?

(Mr. Goff): Yes, 32.82 per cent.

(President): That surprises me, because in the early Exhibit it was more than that.

(Mr. Goff): You see, Sir, here they are much smaller figures in the third column than they are in the fifth.

(President): But the percentage is so much smaller. You say it is 32 per cent., but in the table before us in 1959 it was about 50 per cent for the railways.

(Mr. Fay): Of course, that was for longer distances then, although it was a 6d. fare.

(President): Yes, it would be.

(Mr. Goff): Which is the page at which you are looking, Sir?

(President): Page 115; but I think Mr. Fay's explanation sounds convincing, namely, that the single fare of 6d. covered larger journeys in miles.

1555. (Mr. Goff): Yes, I think that must be the answer (To the Witness): Therefore you have introduced already, have you not, single-fare staging in 76.57 per cent. of the journeys on your Central buses, and 68.16 per cent. of the journeys on your Country buses?—Yes.

1556. If you add the percentage at 7d., that takes you up to three miles, and you get then an addition for the railways of 16.54 per cent. That is a single item which you see actually in the table?—Yes.

1557. And that, with the previous 32.82 per cent., gives you a total of 49.36 per cent.—That is correct.

1558. The same exercise for the Central buses gives you an additional 11.93, which brings your 76.57 to 88.50?—Yes.

1559. And if you do the same with the Country buses, you get an additional 13.89, which produces 82.05 in total?—Yes.

1560. So that your present proposition is to introduce the single staging for half the railway journeys, 88 per cent. of the Central road journeys, and 82 per cent. of the Country bus service at ordinary fares?—Yes, of that order.

1561. Do you still suggest that there is any serious objection to introducing that for the higher fares?—Mr. Goff, I must look at my table a little more closely, bearing in mind the proposition you have just put to me. You are saying that we have already introduced single-stage charging in the case of Central road services on something like 88 per cent. of the passenger journeys?

1562. You will have done when you include, if it be granted, the third stage application?—I do not think that is quite right, on reflection, Mr. Goff. We have a minimum fare of 3d. for one mile, and that accounts for 44 per cent. of the total traffic. There is no half-mile charging that that minimum fare in our proposals.

1562a. We start with you at the minimum.—Well, 44 per cent. of that is not a half-mile; the minimum fare is a straight fare for one mile.

1563. Yes, but the point is that you have introduced single staging in a range of fares which covers, as things stand, 76.57 per cent. of the journeys, and will cover 88.5 per cent?—I cannot agree that, Mr. Goff. In a range of fares — you used that expression — the single-stage charging that we have introduced is between the minimum, after you leave the minimum, up to the 6d. fare; but you must not include the minimum, surely? That cannot be included in this calculation, because the minimum fare is a charge for one mile, and there is no half-mile fare at all in the scale.

1564. It does not make any difference to the reasoning, does it, that the range of fares which would be affected by extending the single-stage fare beyond 3d. would only by the small balance over 88.5 per cent. of your journeys?

17 February, 1961]

Mr. BRIAN HUGO HARBOUR

[Continued]

—The proposals that you are putting do not affect the minimum there, I agree. Single-stage charging extended as you have got in the scale shown in LCC1 does affect the fares after the three-mile fare increase, yes, and that, as a proportion of the total traffic, is revealed by this Exhibit C2 and is of the order of 15 per cent. of the total

1565. So that you have conceded the principle up to 88.5 per cent. of the total. You said yesterday that you could not draw a hard-and-fast line at three miles; you could not say it was all right at $2\frac{1}{2}$ and wrong at $3\frac{1}{2}$, and so we are only concerned with the small balance of something like 12 per cent. on the Central buses and 18 per cent. on the Country buses?—I do not think we have conceded the principle for 88 per cent. of the traffic on Central road services, because we have no half-mile stage before you leave the minimum fare. The minimum fare is 3d. for one mile, and I think it is quite wrong to use that 88 per cent., if I may say so, in the way you have just used it.

1566. If we were suggesting putting in some half-stage below the minimum, then, of course, your argument would obviously be sound, but there is no issue between us there. Up to three miles we are both suggesting the same thing, and therefore the difference between us—

(President): It is up to one mile, Mr. Goff, up to the 3d. fare.

1567. (Mr. Goff): Yes, the money and the mileage sometimes become confusing, Sir; I am much obliged. (To the Witness): So that the difference between us is only going to affect that small balance over the 88.5 per cent., is it not?—Yes. You describe that as “a small balance”. That is what I describe, Mr. Goff, as the straw that makes this, in my judgment, an impracticable proposal.

1568. I suggest to you that when you see the percentage which is involved you really cannot maintain that view, and it would really not do you any harm at all, or any appreciable harm, to adopt our suggestion?—I cannot agree with you.

1569. But you did, at any rate, go as far as saying that you could not draw a hard-and-fast line. You would not say: “Well, $2\frac{1}{2}$ and no further. To introduce it at $3\frac{1}{2}$ would obviously be overstepping the line”?—I do not quite follow your reference to a hard-and-fast line. Perhaps my memory is not as good as it ought to be, but during yesterday's proceedings I do remember your suggesting to me—and I think we were dealing with the railways at the time—

1570. I was intending to deal with the whole matter, I did not limit it to the railways.—That a number of additional half-mile stages would not do any harm, and there were questions addressed to me as to the extent of the additional fare stages. Let me say that I am reluctant to include any half-mile stages in the fare scale, but we have done so for other reasons already, and we propose to add one more; but in my judgment, based on some experience of the work of our conductors—I have had them under my control and I know what they do and the burdens that do fall on them—I am suggesting that anything more than two or three of these half-mile stages would make the job of efficient fare collection and the work of our conductors impossible to discharge with efficiency.

1571. But as you put forward the proposition, I take it you are perfectly satisfied that introducing it at $2\frac{1}{2}$ miles would not impair their efficiency, they could cope with that satisfactorily?—I said just now we do that with some reluctance, and I repeat that. It has not simplified the system. For years now we have been trying to simplify the work of our conductors for the simple reason that loadings have tended to grow, the size of the bus has increased and may still further increase; and in the collection of our revenue the highest degree of efficiency that we can obtain is needed to meet this task of getting fares in properly, the appropriate fares with no over-riding and no undercharging, and it is of paramount importance that the fares system itself should be as simple as possible and that the means of issue should be as simple as possible. I think we have gone a long way in that latter direction with our ticket machines.

1572. But that does not become complicated by having 1d. stages instead of 2d. stages, does it?—I am talking of simplicity now.—I do not think the difference in the stage rating—whether the scale goes up by pennies or two-pennies—is a complicated factor; it is the number of fares.

1573. So that it boils down to the issue of getting round the bus and memorising the fares; that is what it amounts to really, does it not?—Yes.

1574. So far as getting round the bus is concerned, I put it to you that once you introduce it at $1\frac{1}{2}$ and $2\frac{1}{2}$ miles, you do not really change it if you do it at $4\frac{1}{2}$ miles and so on; it does not make any difference?—You put that to me, Mr. Goff, but I do not agree with it.

1575. (President): But assuming there would only be one half-mile stage, say if you like between 7 and 8 miles, the conductor would have to get round the bus on every half-mile stage, would he not; he would not know, without going round the bus, whether a person wanted that half-mile ticket or not?—He would have to get round the bus—

1576. Yes, in order to find out.—Yes, Sir, in order to find out the situation; but we do know that in London conditions, it is very difficult.

1577. I know all about that, but what he is doing when he goes round the bus is finding out what sort of tickets the people want?—Yes.

1578. With a sub-duty, as I understand it, that when he sees somebody who has a ticket and can remember what the value of that ticket was, of telling him that he has gone past that stage; but his main duty is to find out what tickets his customers want to buy?—Yes, and to exercise some check on that.

1579. But you do agree, do you not, that his main duty is to find out what the customer wants to buy?—Yes, Sir.

1580. Wherever you introduce a halfpenny rise, he will have to make certain that among his customers there is not such a person, will he not? He cannot know in advance, without going round the bus, what sort of ticket he has to sell?—No, Sir; your reference to a halfpenny rise rather confused me.

1581. Yes, I am sorry; it is a half-mile rise.—I agree that he does not know in advance where his passengers are going to.

1582. So therefore, even if it so happened that during the day there was not a single passenger who wanted the half-mile ticket, he would still have to go round the bus to make certain about it?—Oh, yes.

1583. And does it not follow then that the question about the percentage of the people who will want these new kinds of half-mile tickets does not matter; he would still have to get round the bus?—He has still to get round the bus, yes.

1584. (Mr. Goff) (to the Witness): As he has to get round the bus once it has been introduced, I put it to you again that it does not make any difference if you introduce these half-miles at other fare levels, so far as getting round the bus is concerned?—I say again that I cannot accept that.

1585. Why not?—Because the conductor will have a larger variety of fares to remember, and the impression on his memory of the fares is an important factor in the time it takes to get round the bus.

1586. I have dealt with the memory aspect, but so far as the necessity of going round the bus is concerned, do you agree that once you have introduced your half stage, or half-mile stage, it does not make any difference if you now introduce it higher up the scale?—You are putting that as a matter of principle, and I agree as a matter of principle, but I have to live in a practical world, Mr. Goff, and there is a world of difference between the principle and the practice here.

1587. So far as the practice is concerned, on the question of memorising fares the percentage is respect of

17 February, 1961]

MR. BRIAN HUGO HARBOUR

[Continued]

which you have introduced it is a material factor, is it not?—Which percentage are we talking about?

1588. The percentage of journeys within which the principle has already been accepted, and the small percentage of journeys to which we are seeking to apply it?—No, I do not think that is true, for this reason, that the memorising of the fares is necessary—that is, the complete memorising by the efficient conductor—in order that he may meet whatever demand is made upon him in the course of his journey along any particular route.

1589. (President): But obviously he will have more to remember. If somebody gets on now and says: "I got on at St. George's Hospital and I want to get off at Exhibition Road", and the conductor has been on that particular route for a length of time, he will know exactly what fare he has to charge?—Yes, Sir.

1590. There would not, of course, be an intermediate between those two places, but if there were, he would have to remember at what stage that intermediate point would be?—Of course he would, Sir.

1591. And therefore he would have to remember, if there were these intermediates right down the scale, not quite twice, but very nearly twice, the number of points?—Yes, Sir; that is what I was endeavouring to say.

1592. (Mr. Goff): You did give us yesterday the figure for the increased number of points; I think there is a table?—Yes.

1593. (Mr. Phillips): Perhaps I might interrupt here, Mr. Goff. (To the Witness): I want to get my mind clear about this: It is a fact presumably that before you had the mile and a half stage, your fare stage posts were at mile intervals? I am talking about your buses; before you had the mile and a half stage, you were only concerned with mile stages?—No, Sir. Fare stages are half-miles, and that has been a constant factor.

1594. I see. So a person can get on at any half-mile stage to-day?—Yes. We have a system of overlapping fares to cater for that contingency; they get on both at fare stages and at many intermediate points which are not fare stages.

1595. I thought you were agreeing with the President that the introduction of a general half-mile scale means that the conductor would be confronted with half-mile stages with which he was not concerned before?—I was agreeing with the President that the introduction of half-mile charging in the fare scale would increase the number of fares which the conductor would have to have tucked away in his mind.

1596. (Mr. Goff): (To the Witness): Can you explain why that is, because as things stand you still have a person who can board at any stage and travel a single stage; that is half a mile, is it not?—Yes.

1597. And he can travel any length of journey from any single, or half-mile, stage, can he not?—Yes.

1598. Therefore, has not the conductor to know the fare from any stage to any other stage, be it a full mile or half a mile?—No, he has not got to carry all that in his mind, Mr. Goff. The conductor works on this principle on a route of half-mile stages: He will have in his mind the whole of the fare table, which is based on mile distances. As he starts off from his terminal at the beginning of his journey he has in his mind the first minimum fare which takes him to Point B, which is two stages further on, and all the subsequent variations of fares. As he proceeds along his route, he can discard the earlier fares. The whole of the fares structure is based on mileage, and the conductor has a relatively difficult task to-day to get the right fare for each of his mile stages.

1599. It is half-mile stages, is it not?—Yes—for each of his mile-charging distances. I think that to introduce further variations into the fare table on a half-mile charging basis where the fares will be changing at every stage, not every mile, will introduce further complications. Now it is a fact that under the existing system—under our system of overlapping fares—about half the fares do in fact change at every fare stage at half a mile.

1600. Do they not all change at every fare stage?—No, because they overlap for a mile.

1601. When the bus has moved forward one stage, half a mile, all the prices thereafter change, do they not?—No, because the price from the first point that he leaves extends for two stages, so that price is constant.

1602. But after that it changes at every stage, does it not?—No, because you still get the two-stage progression.

1603. Once it has gone past the minimum, all the fares then are measured from wherever the bus is—

1604. (Mr. Fay): No—the last fare stage before that?—Yes; it is the two-stage element.

1605. (Mr. Goff): Directly it passes the next stage, the stage from which the fares are measured is the half-mile stage which he has just passed, and not the previous one from which he has moved off; if he has just passed Point 2, all the fares are measured from Point 2, are they not?—No, not under the two-stage method of charging. This is a very difficult thing to appreciate, and it is a very difficult thing to explain. If you wish to pursue this, Mr. Goff, I would be very happy to have a diagram prepared which I think would be very helpful to the sort of discussion we are having at this moment.

1606. Could that be prepared, do you think, in the course of a day?—I am sure it could.

(Mr. Goff): Then perhaps we can revert to it later.

(Mr. Fay): May I make my contribution to the confusion on the subject? It seems that my learned friend and the Witness are talking about two different conceptions. In one sense my learned friend is right, because every time you go to the next half-mile stage you look forward and the maximum length of journey increases for each fare by one stage, or one half-mile. I think that is what he is putting but with regard to the journey of the individual passenger, a passenger may get on at Ludgate Circus, wanting to get off at Trafalgar Square; he pays 3d. A passenger who gets on at the next stage, which is Wellington Street, and who wants to go to Trafalgar Square, also pays 3d.; there is no change for the passenger whatever, but the length of distance which he could travel would be extended from Trafalgar Square, to Piccadilly Circus. I think that is the point my friend is putting, but whether that contribution has made confusion worse confounded or clarified the matter, I do not know.

1607. (Mr. Goff) (To the Witness): We were dealing with the Underground Railways, Mr. Harbour; you say the difficulty there would be partly the difficulty of issuing more tickets from the actual booking office, and partly the question of ticket machines. That is right, is it not?—The question of the difficulty of issuing more tickets from the booking office and from the ticket machines, and the accommodation at the stations, which would not be sufficient for installing more ticket machines.

1608. I am coming to that. So far as the manual issue of tickets from the booking office is concerned, is the ticket issued by an automatic process by which the clerk presses a button marked with the value of the ticket to be issued?—Very largely, yes.

1609. First of all, the suggestion we are making would not make any difference to the number of people who wanted tickets, unless, of course, by increasing the number of tickets that would be required, they could not get them out of the machines. I will deal with that separately, but apart from that factor, it would not make any difference to the number of people who wanted tickets at all, would it?—No, apart from that factor.

1610. So that the difficulty, so far as manual issue is concerned, is that the clerk would have to issue tickets covering more prices?—Yes.

1611. But not more tickets?—No, apart from the factor of the machines.

1612. Yes; that is reserved all the time in this part of the discussion. Apart from that factor, the difficulty would be the difficulty of issuing tickets covering more prices?—Yes.

17 February, 1961]

MR. BRIAN HUGO HARBOUR

[Continued]

1613. I suppose the issuing machine in the booking office is geared at 2d. intervals, is it not?—You have asked me a highly technical question, and I am taxing my memory on it. These tickets are printed by the pressure of a button which operates a plates within the machine, and I am sure that those existing plates are related to the fare scale which is in operation at any given time.

1614. Yes, that is what I was thinking. At the moment, of course, you have your 3d. fare; then you jump by 2d. to 5d.; then you have your 6d. fare and then you jump by 2d. to 8d., and then you progress at 2d. intervals after that?—Yes.

1615. So that the machine, with one or two exceptions, would be geared to 2d. intervals?—Yes.

1616. And under our proposition the machines would have to be geared to 1d. intervals?—There would be more plates, of course.

1617. Yes, but the machines would be geared at 1d. intervals?—Yes.

1618. Is it not easier to operate a machine where you know that the numbers run consecutively than it is to operate it when they are at 2d. intervals?—Not in my experience.

1619. But it is certainly not more difficult; it would not add to the difficulty at all?—It would in the sense that there are more buttons to press.

1620. But the question is, how long he is going to take to carry out the operation; the fact that he has more buttons does not make it a more difficult operation?—I do not think so, but—

(President): Well, we are leaving that part, are we not, Mr. Goff?

1621. (Mr. Goff): Yes, Sir. With regard to the machines, the Witness has our Exhibit LCC 1 before him, and I think the Tribunal also has it. It has not been formally put in, but I see it is being handed up now. (Exhibit LCC 1 handed). (To the Witness): I shall have to discuss this table with you in detail later, Mr. Harbour, on the question of yield, but the first half of the table shows the mileage in the first column; then the ordinary fares which are operative under what is described as the second stage; then the third stage proposals, and then, compared with that in the third column, the L.C.C. scale, namely the single stage and half-mile charges?—Yes.

1622. So if we look at the second column as it now stands, you have 3d., 5d., 6d., 8d., 10d., and 1s. 0d. fares, going that far?—Yes.

1623. And you propose to turn those into 3d., 5d., 6d., 8d., 9d. and 11d.?—Yes.

1624. What range of ticket machines do you have with your fares at present operative under the second stage; that is column 2 of this table?—We have a range of ticket machines that covers practically every one of these fares. We do not happen to have a complete list of the ranges of fare denominations dealt with by our ticket machines; of course, at each station the range varies, but our practice has been to try and get the heavy issues of tickets on to machines as far as we possible can, and therefore you will find a difference in the denominations which are catered for by ticket machines at various stations; but I think you can take it that we have machines at the larger stations which will cover the 3d., 5d. and 6d. fares and all the well-used fares.

1625. Indeed, but I would like to go into this in a little detail. 3d., 5d. and 6d. fares are all well-used fares covered by your machines, are they not?—At certain stations, yes.

1626. At most stations?—No, I would not say at most stations.

1627. At any rate, you have machines for that range at some stations?—Yes.

1628. And probably at quite a number of stations; the 3d., 5d. or 6d. machine is not an unusual machine, is it?—No; the 6d. machine is quite a common one.

1629. And would not the 3d. and 5d. machines be fairly common also?—Yes.

1630. Do you have machines—I suppose you do—which offer tickets priced at more than 6d.?—Yes, because we have quite heavy traffics at those higher fares.

1631. How high up in price do you go with your issuing machines; do you stop at 1s. 0d. or something of that sort?—I shall have to check this, Mr. Goff.

1632. I should not have made that suggestion, but I am told that there is one at Oxford Circus, which is 1s. 2d.?—Yes, I had that one in mind, and I believe I have seen an even higher one; but I cannot vouch for it at this moment. There are a few ticket machines to-day at our more important stations, certainly for fares of 1s. 0d. and also for fares of higher than 1s. 0d.

1633. But the machines for fares higher than 1s. 0d. are only at a few of the more important stations; they are rather exceptional, are they not?—I think I had better have my analysis and just wish for this before I can give you a firm answer to that question. I am sorry, Mr. Goff, but I just do not know the precise number of denominations on our ticket machines at the stations; perhaps I ought to have armed myself with that information.

1634. Can you give us some information on that subject?—Yes, this afternoon.

1635. Then I will revert later to that topic, if I may. The other feature which I think you mentioned was the added difficulty for the inspecting ticket collector when the people come out of the station?—I did mention that, yes.

1636. That is not a very important consideration, is it?—I do not think I mentioned it as an important consideration; I mentioned it as being an addition to the complexity of the job.

1637. Yes, but if introducing single stage and half-mile charging otherwise commended itself to you, this would not be in any way an insuperable difficulty; is it fair to say that?—You are referring to the difficulties of collection and inspection on leaving the station?

1638. Yes.—It would not be an insuperable difficulty, but I would like to say that half-mile staging does not commend itself to me.

1639. No, I appreciate that; I was not trying to catch you on that—

(President): (To the Witness): Mr. Goff is suggesting to you that if this were the only difficulty, and if you were otherwise in favour of half-mile staging, you would not be put off by the difficulty of collection and inspection. Is that right, Mr. Goff?

1640. (Mr. Goff): Yes, Sir. You put it more happily than I did, but that was the point I was seeking to make. (To the Witness): Now I want to discuss the question of the loss of yield from our proposal. I think you have had our Exhibit LCC 1?—Yes.

1641. And LCC 2?—Yes, I have examined them.

(Mr. Fay): I think Mr. Harbour will agree these figures, if they are put to him, *en masse*.

(President): The figures in columns 6, 7, 9 and 10 are presumably taken from the particulars which you supplied to the County Council, Mr. Fay?

(Mr. Fay): The gross yield, yes.

(President): But not the discount?

(Mr. Fay): No, and I do not think the split between the half-miles is acquired from us.

1642. (Mr. Goff): May I say what the table purports to show. We have already been through the first half; the miles are obvious; then you have the ordinary fares on the present operative scale, on the scale which they are proposing and on the scale which we are proposing. (To the Witness): That is obvious, Mr. Harbour?—Yes.

17 February, 1961]

Mr. BRIAN HUGO HARBOUR

[Continued]

1643. Then in column 5 we have the increase in fares by the Section 79 Application; that is the increase which would be produced if your present Application were to succeed, and if therefore you got 1d. put in for the half stage and 1d. put in for the second half, they are bracketed together, and if therefore you are increasing it by 2d. each mile. But, making the comparison, we put 1d. in each half and bracket them together.—I see.

1644. Then there is the gross yield in column 6; that is taken from Exhibit BH 28, Appendix B, which I think is one of the documents which was supplied to us after the hearing?—Yes.

1645. Yes, that was supplied subsequently. If you look at that, you will see that the figures in column 6 of our Exhibit LCC 1 are taken from column 9 of Appendix B of your Table BH 28, and they finish as the total of ordinary fares, £1,043,148?—Yes.

(Mr. Goff): Is the Tribunal with me so far?

(President): Yes, and I think we had better adjourn for lunch now, Mr. Goff. So far I think we can see no reason to ask for the formal exhibition of the tables which have been supplied to the London County Council.

(Mr. Goff): I am obliged, Sir.

(President): The only doubtful thing is the diagram or whatever it was.

(Mr. Fay): We have a number of copies of that diagram here, Sir; would you like to see a copy—although I do not think it would necessarily be an aid to digestion during the adjournment.

(President): No, and it is not the sort of thing they like printing, I will think about it, Mr. Fay.

(Mr. Fay): If you please, Sir.

(Adjourned for a short time)

(Mr. Fay): I wonder if I might, perhaps, assist matters? The confusion which is apt to arise as to the operation of this double stage charging on a single stage basis, if I may so put it, is perhaps best understood if one looks at actual examples. I ventured to give one this morning and we now have in Court and available to the Court as the Objects the actual fare tables in use at the present moment on two routes, Route 11, which passes within one hundred yards of this Court, and Route 73, which is a long route and shows the complications of longer routes. So if those tables would be of assistance, they are available for my learned friend and the Court.

(President): By "fare tables" you mean the things that used to be put inside the buses so that everybody could see them and now cannot be put there because there is glass in place of the panel?

(Mr. Fay): Yes. I think it is carried on the bus now and, of course, it is the practical document on which the conductors work, if I understand rightly.

(President): On Sundays you very often find a conductor who is off his normal route consults a table when you ask him for a destination which you, who are always travelling on the route, think ought to be engraven on his heart.

(Mr. Fay): Yes, that is this particular document.

1646. (Mr. Goff): These tables which we have been handed, the fare tables for the 11 route and the 73 route, of course embody the one-and-a-half miles charge?—They do.

1647. Is it right that the bus conductor has to memorise the fare from every single stage point to every other stage point, whether you charge a different fare at single stages or only at double stages, and the difference simply is that if you are charging at double stages you get more fares that are the same?—The efficient conductor should remember, or should have stored away in his memory, the whole of the fares that are in operation on his route. There will be some fares, of course, that are more prominent

than others because the volume of traffic at different individual fares does differ; but he should remember the lot.

1648. That means he should have in his mind the fares from every single stage to every other single stage?—Yes, from every single stage to every other stage; but the process is helped by the fact, as you will see from these tables, that in the case of the majority of the fares they embrace two stages.

1649. I think that clears that up. I was asking you about ticket issuing machines. Have you in the interval been able to get some information on that subject?—I have. It has only just been presented to me, but I have further information here which shows some detailed particulars of the ticket issuing machines that we have. You will remember this morning, Mr. Goff, I did refer to the ticket issuing machines which are installed within the booking offices and operated by the booking clerks and those which are installed outside the booking offices and which are operated by the passengers. If I remember rightly, you asked me the number of machines and their distribution between various fare denominations. I have that information now for the Underground system as a whole, but I have not got it for any particular station.

1650. I may want to ask you about one or two particular stations about which I have details, but would you let me know what you can tell us on general lines first?—This information applies to the Underground system as a whole. There are 708 of these passenger operated slot machines, and the division is as follows: 171 of them for the 3d. single; 105 for the 5d. single; 125 for the 6d. single; 141 for the 8d. fare; 100 for the 10d.; 31 for the 1s. 0d.; 20 for the 1s. 2d.; 2 for the 1s. 4d., and one only for 1s. 10d.

1651. (President): Where is that, I would like to know?—The report for which I called does not show where these are to be found, but I will ascertain that for you, Sir. That leaves a total of 12, which are miscellaneous types of machines designed to deal with early morning returns at heavy stations and ordinary returns at some other stations. There are 12 of those machines.

1652. That is a small matter anyway?—There are only 12. In agreeing with you that it is a small matter, I dare say that at the particular stations at which they are installed they make a material contribution to the speedy booking of tickets.

1653. If you get your Section 79 Application allowed, you will have to alter those, will you not, they will not fit?—We always find when fares are changed that there are quite substantial alterations to be made to the mechanism of these machines in order that they can fit the new fares.

1654. It is not a question of the mechanism, it is a question of the result, is it not; they have got to issue some different priced tickets?—Yes, and in order to do that you have to alter the mechanism.

1655. But you will have to alter them because this range and distribution will not fit your Section 79 Application?—That is so.

1656. Under your Section 79 Application whereas formerly you have had an 8d. fare for three miles, you are going to have an 8d. fare for two-and-a-half miles and a 9d. fare for three miles. You have no 9d. ticket machine at the moment?—No.

1657. And you have 141 8d. machines. Will you have to bring in a 9d.?—It depends. I think we shall. I assume, if the distribution between the two-and-a-half miles and the three miles is 60 to 40, or 50 to 50, that it will involve the introduction of additional machines there.

1658. Then the 10d. you would not require at all, would you?—Under Section 79, no; those machines would be converted to 11d. ones, and the 1s. 0d. ones to 1s. 1d.

1659. (President): That will mean quite a lot of alteration, then?—Yes. This is an extensive process and it is one that always takes a long time to carry out because of the intricacy of the mechanism.

17 February, 1961]

MR. BRIAN HUGO HARBOUR

[Continued]

1660. (Mr. Goff): For the 3d., 5d. and 6d. you would not need to make any alteration at all, I suppose, would you?—Under the Section 79 Application before the Tribunal, no alteration in those fares is envisaged.

1661. And, therefore, no alteration in the machines?—No.

1662. Therefore the L.C.C. scale would be in precisely the same position?—Up to that point.

1663. So we would not add to the difficulties so far as your 171 machines which issue 3d. tickets are concerned, your 105 machines which issue 5d. tickets, or the 125 machines which issue 6d. tickets?—No.

1664. So far as 8d. and 9d. is concerned, the two scales are identical, are they not?—Yes.

1665. So we would not introduce any change in your 141 machines other than you have got to adopt anyway on your own Application?—That is true.

1666. If you take our scale, you would have a 10d. fare?—Yes.

1667. It would be convenient, would it, to have ticket machines to issue 10d. fares?—Yes, and 11d. fares.

1668. As it stands, you have got 100 for 10d. which you would not be able to use at all without conversion; you have got 31 at 1s. 0d. which you would not be able to use either, would you?—Without conversion. Under our Section 79 Application if the fare went to 1s. 1d. we should have to alter those machines.

1669. Under our scheme you could either leave the 100 issuing 10d. fares and the 31 issuing 1s. 0d. fares, which are both in our scale, or you could make the same alteration as you contemplate anyway, could you not?—Yes; but under your scheme you are introducing some additional fares which would not be covered by ticket machines in existence.

1670. We do not introduce additional fares until we get to 10d., do we?—No, that is the first.

1671. Which would, in fact, be covered by existing machines which you would not have to alter under our scheme but which you will have to alter under yours?—I do not agree with that statement for this reason, that the existing 10d. fares are fares which under our scheme will go to 11d., and under your scheme would partly remain at 10d. and partly go to 10d.

1672. Very well. Then all you would have to do to adopt our scheme would be to alter some of the machines to 11d. leaving the rest at 10d., instead of altering all of them?—Oh no. We have got 100 machines spread over 247 stations, and these 10d. fares that are now current are in use at every station, and the 10d. machines are installed at those stations where the issue of the 10d. ticket is of substantial dimensions.

1673. Would there not be a substantial issue of 10d. tickets at those stations when you had split the three-and-a-half and four division?—That may be so, dependant upon what "substantial" is. But you are splitting an existing 10d. fare, and let us assume that the division of traffic for present purposes is half and half between the three-and-a-half miles and four miles. I think that implies that a substantial traffic—and I am making that assumption, which may not necessarily be right—would be travelling for the first stage of the four mile fare and the second stage of the four mile fare, and I think we should want ticket machines under your scheme to deal with the 10d. fare and also the 11d. fare if we were to relieve the difficulties.

1674. I want to be perfectly fair about this. Your point is you want both at the same station?—Yes.

1675. Oxford Circus is a busy station?—A very busy station and one of the stations where we have the greatest difficulties on our Underground system in the peak hours, because the whole lay-out of the place is quite inadequate. You will remember that it is a combination of two stations constructed in the early part of this century, and it is a most unsatisfactory station with very limited accommodation.

1676. I will accept that. You need not give me the reasons because I have been unlucky enough to have to use it—I am sorry.

1677. How many 10d. machines have you got at Oxford Circus?—That my analysis does not reveal.

1678. Would you take it from me there are two?—Yes.

1679. And there is one at 1s. 0d. and one at 1s. 2d. I will give you the whole list, although those are the ones on which I particularly rely: 4 at 3d., 3 at 5d., 5 at 6d., 4 at 8d., 4 at 10d.—4 at 10d.? You said two.

1680. I beg your pardon, that was a mistake on my part, it is 4—1 at 1s. 0d. and 1 at 1s. 2d.—I have got that, yes.

1681. If you accept our proposal, you would not need to make any change in the 4 at 3d., the 3 at 5d. or the 5 at 6d. would you? That is clear?—That is clear.

1682. Or the 4 at 8d.—No, because our two proposals are in line.

1683. You would have to convert your 4 at 8d. into some issuing 9d.?—Yes, you would, and you might have to add to the number of them.

1684. But that would be inherent in your proposal?—It would.

1685. So far as the 10d. are concerned, if you adopt your proposal you would have to alter those because you would not have a 10d. fare at all?—That is so; they would all be altered to 11d.

1686. If you had 10d. and 11d. charging, would you cover that if you converted, say, two of those to 11d. and left the other two at 10d.?—I very much doubt that in the circumstances of Oxford Circus. I think the division of that particular fare denomination into parts would lead to the need for a fifth or sixth machine.

1687. Why?—These machines are primarily installed in order to enable our passengers to book their tickets without going to the booking office, and they have made a substantial contribution to the speeding up of the traffic between the street and the platform. Now at Oxford Circus we have a very critical state of affairs between 5.30 and 6 in the evenings, where the station is grossly overloaded and where any diminution in the speed . . .

1688. (President): We know this, Mr. Harbour. Most of us have had the misfortune to be there.—I am sorry if I am going over it again, Sir; I did not want to duplicate anything that had been said before, but the point I have to make is that in view of those conditions it might be necessary to instal additional machines to cover a 10d. and an 11d. fare.

1689. (Mr. Goff): Would it not suffice to convert some of them into 11d. and leave the others at 10d.?—because you are merely splitting that price range, you are not going to get a lot more passengers—or are you?—I do not think you are, no.

1690. If you are, obviously our scheme would be a very good one, would it not?—No, I do not think you would get any additional passengers.

1691. If you do not, why do you have to do anything other than keep the same number of machines, but make some of them issue 10d. tickets and the some issue 11d. tickets?—Mr. Goff, may I concede your point: I did say that it "might" be necessary in the circumstances of Oxford Circus's operation, but I do not think it is really of importance.

1692. You have conceded it there, now we will apply it to the general principle of your 100 machines at 10d. Would not the same thing apply? If you have your own scheme you will have to convert your 100 machines into machines which issue 11d. tickets because if you adopt your scheme you will have no 10d. fare at all?—Yes.

1693. If you have our scheme, you will convert some of them into 11d. and leave the others at 10d.—I am sorry to delay on this point, but these 100 machines at 10d. are distributed over the system, as you will see. Now it may well be that under your scheme the machine is really required to deal with the three-and-a-half mile traffic at

17 February, 1961]

Mr. BRIAN HUGO HARBOUR

[Continued]

one station and at another station to deal with the four mile traffic.

1694. Then there will be no difficulty; where you want to deal with the three-and-a-half mile traffic you will have the advantage of not having to alter your machine at all, and where you want to deal with the four mile traffic you will alter the existing machines to 11d. Where is the difficulty?—I am not stressing the difficulty.

1695. But you were. You said this was one of the main reasons why our scheme could not really be adopted on the Underground.—I did not say "could not really be adopted on the Underground". When I said it was impracticable I was referring to road services. I said it would be difficult and tend to complicate the issue of our tickets, and I do not think I went further than that.

1696. Is the truth, then, when the thing is analysed, that it would not be difficult at all?—You go to the other extreme there. I think this would create difficulties. It would lead to the need to introduce some additional machines and it would lead, because of space and accommodation limitations if we could not install the additional machines, to putting a greater amount of the ticket issue on to the booking offices.

1697. I put to you, very very indeed?—I am afraid I do not agree with you.

1698. At Oxford Circus, which was one of your principal troubles, you would not have to introduce any new machine at all by reason of anything we are suggesting, would you?—Subject to my qualification (which I concede) about the 10d. machines, the answer is "no".

1699. You are accepting what I put to you, that you would not need more machines?—With the qualification that I made with regard to the 10d. machines, where we have got four today and where I said that we might in experience find that additional machines were necessary to cater not only for the 10d. fare but also for the 11d. fare.

1700. Instead of merely dividing them?—Instead of merely dividing them. In other words, the total might be 5 or 6 instead of 4.

1701. One machine extra at the most would cover that, if you needed one at all, would it not?—Two at the most, one probably. They are quite expensive.

1702. I suggest to you that when you know the sort of ratio of the traffic, "one probably" is not right. It is one possibly, but I would suggest the probability is you would not need any new ones at all.—Well, I note that.

1703. You can hardly deny it, can you?—I have not had experience yet of inserting a half-mile stage at the three-and-a-half mile point.

1704. Or experience of doing it at two-and-a-half miles for that matter?—No.

1705. We can now return to the tables at which we were looking just before the adjournment, LCC 1 and LCC 2.

1706. (Mr. Philips): Before you do that, may I ask a question? (To the Witness). Mr. Harbour, would you mind taking up the route 73 fare table again? If you run your eye down the first column you will notice that when you get to the fare of 10d. it is repeated three times, then 1s. 0d. is repeated three times, the same for 1s. 2d., and the same for 1s. 3d. Does that mean that there are three fare stages to the mile in those cases?—You get that occasionally. The fare stages, while they are roughly half a mile apart, can be a little shorter and you can get three stages within one fare range for that reason.

1707. It is not peculiar to those columns; if one looks at the table, it appears all over the table?—Yes.

1708. Down to about 1s. 6d.—Yes.

1709. So in that case there are more than two stages to the mile?—In that case, yes. In the case of route 11 I think the fare stages are all two to the mile.

1710. (President): I always thought there was, but is there anything in any scheme which regulates the distance between fare stages?—Yes, Sir.

(President): It is paragraph 13: "The fare stages shall not on the average be less than half a mile or as near thereto as may be reasonably practicable".

1711. (Mr. Goff): We had got up to the fifth column of LCC 1 and I had explained that that was the increase in fares by the Section 79 Application, bracketing the half-mile and mile together. They have to be shown separately because of our scheme, but they are bracketed together to give effect to your scheme?—Yes.

1712. Then we come to columns six and seven, the gross and discounted yield. Those figures are taken from Exhibit BH 28 Appendix "B", and you see the total ordinary fare there is the figure of £1,043,148 gross and £586,498 net?—Yes.

1713. You accept the figures in columns six and seven because they come from your tables?—I do.

1714. The increase in the fares by the L.C.C. Scale is a simple piece of mathematics. You have no increase at the half-mile, and then you get the 1d. increase at a mile instead of bracketing the two together.—Yes. I think I follow that.

1715. Then we split into half miles. Instead of having the pennies bracketed together for the two half-stages, we have a blank for the half and 1d. for the whole, so we get the same result in the end but we do not get our increase until we get to full stages whereas you get the increase at the half and the full?—Yes, you are getting an increase on the second half.

1716. So we lose it on the first half and get it only on the second. Then we have to calculate the gross yield and the discounted yield, which comes in the last column. We have calculated that in this way: If you look at your Appendix "B" to BH 28 and you take—

(President): It rather begins to sound as if we shall have to have Appendix "B" printed, does it not?

(Mr. Fay): I do not know whether my friend wants to go through the whole process. We accept these figures, as I said this morning.

(Mr. Goff): I was not quite sure how far that went, because I thought my friend made some reservation. If he accepts the figures in column 9 and column 10 as accurate figures, of course I need not pursue that any further.

(President): That is so, is it?

1717. (Mr. Fay): Yes, that is so. (To the Witness): That is so, Mr. Harbour, is it not?—Yes.

(Mr. Goff): I am much obliged.

(President): Mr. Goff, what it comes to is this: the effect of the changes you are proposing in the case of the rail services ordinary revenue is that the Commission will lose £316,000?

(Mr. Goff): Yes. I am going to bring out a figure in the end of something like £840,000 and then I say, alternatively, how that can be raised, and of course part of my case is on the question of Central Charges.

(President): Yes, I understand that.

1718. (Mr. Goff): If we turn to LCC 2, that is a table which works on precisely the same principle, subject to two points which I will mention, as the one at which we have just been looking, but that deals with the road services excluding coaches.—Yes.

1719. The two points I said I would mention are these: One is that the split on which the discount in columns 9 and 10 was calculated was a split based on the table of receipts in this case, this is a split based on the table of journeys; but I take it you are not challenging the column 9 and column 10 figures because of that difference of method?—No, Sir. As I agreed with Mr. Fay just this moment, we would be prepared to accept the arithmetic of this statement.

1720. There is one other thing I must draw to your attention so that there is no misunderstanding between us. In calculating 9 and 10 we have applied the discounts shown in your Appendix "C" to BH 28, but you have a

17 February, 1961]

MR. BRIAN HUGO HARBOUR

[Continued]

column 13, "passenger drop back to shorter route", and your discounted yield in column 11 takes account of the discount for assumed outright loss of passengers and the passenger drop back.—Yes, both are included in my discounted figure.

1721. Our contention is that if you adopt our scheme you are eliminating that drop back, and I think I questioned you on that as well. Our figures have been calculated on the discounts shown in column 12 of Appendix "C" but eliminating the drop back element in column 13. I wanted to draw your attention to that in case you wished to withdraw from the admission of the figures on this sheet LCC 2.—I do not think I want to withdraw. I had not fully appreciated that.

1722. (President): It could not make an enormous difference.—No, it does not. I worked these figures out privately myself and produced figures of this order as shown on LCC 2.

1723. (Mr. Goff): It makes a difference, in fact, of £38,000.—That is very small indeed in this context.

1724. I did not want there to be any misunderstanding about that at all. Would you accept the LCC 2 figures?—Yes.

1725. I do not know whether you have had a table which I put to one of the other witnesses?—It is a table headed "Alterations to British Transport Commission, London Lines, London Transport Executive rail and road within the London area, suggested monthly season ticket scale".—I did receive this by rather devious means.

(Mr. Goff): I think it has gone in as LCC 3.

(President): Yes, it was handed in.

(Mr. Goff): It is only a copy of figures already in, but it does give a convenient comparison and I think, therefore, we might call it LCC 3 and use it officially.

(President): Yes.

1726. (Mr. Goff): Have you looked at this at all?—Yes, I have had a copy.

1727. You see that it shows mileage in the first column.—Yes.

1728. And it shows the existing scale in the second column; that is taken from Exhibit BH 24, sheet 1, column 6.—Yes, the monthly tickets.

1729. The suggested scale is the scale introducing, again, half-mile charging; that is the third column in our LCC 3?—Yes.

1730. The second column, the existing scale taken from BH 24, is, in fact, the rate now in force?—Yes, as from the 15th January, 1961.

1731. Column 3 is the suggested scale being put forward by the London County Council. You observe that at $5\frac{1}{2}$ miles the suggested scale is slightly lower than the existing scale?—I observe that, yes.

1732. And you observe that that is true, although to a very, very minor respect, at 6 $\frac{1}{2}$ miles, the difference there being 6d. and in the other case it was 1s. 0d.—That is so. I also observe, if I may make this comment, that the rate at 6 miles is slightly higher than the existing scale.

1733. Yes, it is; it is throughout, because, you see, we are taking your section 79 Application but putting in the half-mile stages, so that at the full miles, of course, our scale will be higher than the existing scale because it corresponds with your section 79 Application.—I see. The suggested scale can be contrasted also with the scales in our section 79 Application.

1734. Yes. It is the same principle we had before to embrace the increase which you desire, but putting in the half-mile charging. So that the two scales correspond at the full miles, but at the half-miles we have got a charge which you are not putting forward and which we contrast with the existing full mile fee in column 2.—Yes, I follow.

(President): "Existing" means existing and not "proposed"?

(Mr. Goff): Existing, certainly. Section 79 will increase it at the full miles only, we increase it at the full miles in the same way but we insert the half-mile figure which can only be compared with the existing figure at the full mile.

(Mr. Poole): In your suggested scheme you have got this column 11 scale at every other item.

(Mr. Goff): Yes.

(Mr. Poole): And half way in between.

(Mr. Goff): Yes, and the half-way fee can only be compared with the existing fee for the full mile.

(President): Mr. Poole refers to column 11 in BH 24, sheet 1, as being the existing scale?

(Mr. Poole): No, that is the section 79 Application. That is their suggested scale.

1735. (Mr. Goff): You observe that with the exception of the two stages which I drew to your attention, the $5\frac{1}{2}$ miles and the $6\frac{1}{2}$ miles, the suggested scale is nowhere less than the existing scale under the Order of the 21st November, 1960?—I think that is right. I have not been right through.

1736. You took the other figures from me, no doubt you will take that from me and if there is a mistake discovered you will be able to point it out; that is what I am instructed, and on the face of it it appears to be so when you look at LCC 3.—Yes. You are, as I understand it, here contrasting the suggested scale with the existing scale. In two places the suggested scale is below the existing scale, and in the other cases it is—

1737. At least as much?—It seems above.

1738. It is, in fact, above, yes; but it certainly is not below. It is at least as much.—There are some very substantial ones.

1739. It is undoubtedly appreciably above the existing scale in a number of respects.

(Mr. Fay): They are all above except $5\frac{1}{2}$ and $6\frac{1}{2}$.

1740. (Mr. Goff): Yes, and $7\frac{1}{2}$ is the same. $8\frac{1}{2}$ is 6d. up, and I think it is the fact that after that it is always up. I need not take time on that, we are agreed that it is below at $5\frac{1}{2}$ and $6\frac{1}{2}$, it is the same at $7\frac{1}{2}$ and after that it is higher throughout, but certainly not at any stage lower.—I agree that on the basis of a comparison of these two columns. What it is intended to show, I really do not understand.

1741. I will tell you. What it is intended to show is this, that with the exception of whatever the effect may be of the fact that at $5\frac{1}{2}$ and $6\frac{1}{2}$ miles the suggested scale is lower than the existing scale, the suggested scale can only affect the yield which you have designed to get out of the third stage applications, because it is nowhere less than the existing scale.—I see. The suggested scale is really, I think, to be compared with the scale under stage 3 shown in column 11 of my BH 24, sheet 1.

1742. Yes, that is right. In LCC 1 and LCC 2, you see, we worked out detailed figures of the discounted yield. In the case of the season tickets we have not done that and, therefore, I have got to put it to you in a different way. What I am putting to you—and I think you will probably agree—is that as the suggested scale is, with these two exceptions, nowhere less than the existing scale, any diminution in revenue derived from adopting our scale can only cut down what you hope to get out of the section 79 Application, it cannot affect what you have temporarily got under the Order of the 21st November.—The effect of your suggested scale is to introduce half-mile staging charging into the season ticket scale between 5 miles right up to 25 miles.

1743. (Mr. Phillips): And beyond.—And beyond, presumably, yes.

1744. (Mr. Goff): We suggest beyond, yes. We are flying our kite high. It may be, of course, that the Tribunal, if it accepts our submissions, might do it as to some extent and not go all the way; but that is the proposition we put forward. — I am trying to answer

17 February, 1961]

MR. BRIAN HUGO HARBOUR

[Continued]

your question. You have at these half-mile stages interpolated new charges which seem to be about half-way between the mile stages shown in my stage 3 on BH 24.

1745. That is what they are intended to be.—The effect of the interpolation of those half-way stages must be to reduce the yield from the further application in column 11—

(President): Mr. Harbour, Mr. Goff has already said that. What he is asking you to agree is that it cannot reduce it below the total yield of your section 79 Application. Is that not it, Mr. Goff?

1746. (Mr. Goff): No, Sir; it cannot reduce it below the Order which they got of the 21st November.—That is so, yes, I agree.

1747. I am sorry it took me rather a long time to show you exactly what I meant to put to you. But you quite see where we are now?—Yes, and we are agreed that it will reduce the yield I show in my exhibit from stage 3.

1748. Certainly, yes; we concede that. You agree, do you, that, subject to any effect there might be from that $5\frac{1}{2}$ and $6\frac{1}{2}$ mile discrepancy, it can only reduce the yield which you hope to get out of stage 3; it cannot deprive you of anything which you have got or will get at stage 2?—Subject to that qualification.

1749. If we look at BH 28, that shows, does it not, the total estimated revenue from the third stage for the London Transport Executive, it also shows it for British Railways, London Lines, and it also shows it under the caption of letter "B"?—That is the gross yield from the proposed increases.

1750. And the discounted yield.—And the discounted yield.

1751. If you take column 15, line 1 gives you the gross yield from ordinary day return and ordinary and cheap day fares?—Yes.

1752. That is £3,065,000 gross and £1,910,000 discounted?—Yes.

1753. Columns 15 and 16 give a total gross and discounted yield for the London Transport Executive from the sources specified in column 1; that is right, is it not?—That is right, under the two successive Applications, "A" and "B".

1754. We are concerned for present purposes only with "B", because what we are seeking to do, as we have been discussing, is to introduce this half-mile and single stage charging into your section 79 Application.—Yes.

1755. Then line 2, "Early morning fares (including backward journeys of passengers)". That is comparatively a small item, is it not, of £21,000 and £10,000.—It is indeed. It is confined to the backward half.

1756. It says in the note in column 1 "Early morning fares (including backward journeys)", but it is, in fact, simply a matter of backward journeys, is it?—Yes, because the early morning fares have been dealt with so there is no obligation to issue early morning fares as from the beginning of 1961.

1757. So is that a disappearing element, or an element that has disappeared?—No. I have said here on many occasions that we (the Commission) regard early morning fares as an anachronism these days and that it is our policy to gradually eliminate them. I think we have reached the penultimate stage.

1758. So the £21,000 and the £10,000 is something which still exists at the moment, but would it be fair to say it is on its way out?—It represents the backward half of what exists at the moment. I have not brought the forward half of the early morning fares into this calculation at all because they are dealt with as concessionary fares. There are still some remaining.

(President): Anyhow, do not let us delay for £10,000.

1759. (Mr. Goff): No. Then at item 3 we get the season ticket rates, that is £237,000 gross and £150,000 discounted.—Yes.

1760. And that brings out a total of £3,323,000 gross and £270,000 discounted?—Yes.

1761. Should one not add something to that in respect of weekly tickets, because your Appendices show weekly tickets although there are none in BH 28. It may be I have misunderstood it.

(Mr. Fay): Do you mean weekly seasons?

(Mr. Goff): I think that is what it means.

(Mr. Fay): Line 3 expressly includes weekly tickets.

(President): It is column 1, line 3.

(Mr. Fay): It is columns 12 and 13, line 3.

1762. (Mr. Goff): The figures I am referring to are at Appendix C; I have to go into this in a little detail. Sir, so as to make quite sure that there is no misunderstanding on the point. (To the Witness): I am worried about this, Mr. Harbour; it may be my fault. Would you look at Appendix C, which is in respect of the London Transport Executive road services, excluding coaches; you have a total there of £1,871,848.—I am sorry; I have not Appendix C.

(President): What is that total, Mr. Goff?

1763. (Mr. Goff): It is headed: "Ordinary and weekly ticket traffic", but it is split up into two totals. (To the Witness): Have you the statement now?—Yes.

(Mr. Goff): It is column 10 in Appendix C to BH 28, Sir.

(President): We have not Appendix C yet, Mr. Goff; we have avoided it so far.

(Mr. Goff): I am sorry, Sir; I thought it had been given to you as an exhibit.

(President): I expect it was offered, but rejected.

1764. (Mr. Goff) (to the Witness): I thought that Exhibit BH 28 did not show the total yield from the Section 79 Application; do you say it does?—Yes.

(President): I think we had better have Appendix C, as you have referred to it more than once, Mr. Goff.

(Mr. Goff): I am sorry, but it will involve Appendices A, B and D as well, because I am quoting from all of them. Would you forgive me for a moment, Sir; I may be able to clear this up with my learned friend.

I am sorry about the delay, Sir, but it may assist if I endeavour to clear up this point about figures with Mr. Fay.

I am obliged to you for the indulgence; my learned friend has cleared the difficulty up. I thought that BH 28 was not complete and that there was something left out of it, but Mr. Fay has satisfied me that it is not so, and I need not pursue that any further.

(President): I was trying to think who it is that has weekly tickets on the buses.

(Mr. Fay): It is only in the outer districts, Sir.

(The Witness): It is on the country buses only.

(Mr. Phillips): In the other direction the discounted yield on ordinary fares seems to have been rounded up to £1,240,000, compared with £1,236,000 on Appendix C; it is in column 11, £1,236,000.

(President): Yes, and in column 10 of BH 28, it seems to be £1,240,000, so something seems to have been put in there for luck. In actual fact I think there is no disparity; it is merely rounding up to the nearest £10,000. You need not pursue the point, Mr. Fay.

(Mr. Phillips): I was only making the point that whatever is lost in the one is made up in the other.

(Mr. Fay): Yes, Sir; we have not condescended to go nearer than £10,000.

(Mr. Goff): Then that is cleared up.

(President): I am afraid that has rather diverted you, Mr. Goff; I think the topic you were engaged on was the maximum detriment which the Commission could

17 February, 1961]

MR. BRIAN HUGO HARBOUR

[Continued]

suffer if your season ticket scale was introduced instead of theirs.

1765. (Mr. Goff): Yes, Sir; I had digressed from it because I thought I was working on the wrong figure, but I am now satisfied that I was not. (To the Witness): Referring to your gross and discounted yields in the Appendices, which are taken out in Exhibits LCC 1 and 2, would you look for example at Appendix C of BH 28; if you take the fare for seven miles—I have chosen this one because it is an example which has been worked out for me—the gross yield is £86,006, and the discount to be applied is 2½ per cent?—Yes, 2½ per cent. outright loss of passengers.

1766. The way in which one calculates this is as follows, is it not? That is an increase of 1d., from 1s. 4d. to 1s. 5d., which you see in columns 3 and 4?—Yes, I see that.

1767. So that the original arithmetic must have been 86,006 times 16; that is the pence in the original fare?—I do not think that is quite accurate. I always like to convert these revenues back into passengers.

1768. Let me put it to you quite generally first; we may be able to shorten it. Are the discounted yields as calculated in column 11 of the Appendices to Exhibit BH 28 increased above what you would get if you simply took a discount of 2½ per cent., because you have to allow for the child element?—I would just like to consult my arithmetic about this; there are children's elements in most of these fares.

1769. Yes, so that the child element increases the discounted yield; if you simply discount 2½ per cent., not allowing for the child element, you will get a lower figure than is correct, because the child element will increase the discounted yield?—Yes.

1770. You accepted our figures in Exhibits LCC 1 and 2; would you dispute the fact that in calculating we have not allowed for the child element?—I do not think it could be disputed. No, Mr. Goff; I am reasonably satisfied with your LCC 1 and LCC 2.

1771. If we have not allowed for the child element, our discounted yield would be a little on the low side, would it not?—Yes, a little on the low side—to a very small extent.

1772. So far we have not dealt with the question of coaches; Exhibit LCC 1 and 2 did not cover it, and Exhibit LCC 3 is dealing with seasons?—Yes, you have not mentioned coaches.

1773. Appendix D to BH 28—

(President): Are you passing away from seasons now, Mr. Goff?

1774. (Mr. Goff): I am going to put a figure on the seasons in a moment, Sir; I mentioned it before just to show that it was only dealing with the third stage part of the Application. (To the Witness): Appendix D, dealing with coaches, shows that we are dealing with much smaller figures than we were with regard to the bus services and the railways?—Yes, much smaller figures and a smaller total of passengers.

1775. And the totals are shown in columns 9 and 10. Do you think it is reasonable, in calculating the discounted yield that you would get if you applied our half-mile stages, to take the same proportions of 60 per cent. and 40 per cent., as were taken in LCC 1 and 2?—This coach traffic is rather a different class of traffic; I do not think it would be unreasonable.

1776. Then will you accept, not my mathematics because they are lamentably poor, but the mathematics which have been laid before me, which show that the discounted yield is £81,919; if you take a reduction on the footing that it is discounted at 60 per cent., it will be reduced to £33,000, which will cause a reduction, therefore, of £48,919?—I will accept that from you, subject to cross-check.

(President): At any rate, it sounds like three-fifths of £81,900.

1777. (Mr. Goff): Yes, Sir; it looks right to me, but I am always terrified about figures. (To the Witness): So far as the season tickets are concerned, we have not put in, or worked out, any detailed table of yield there, but it is clear, is it not, that the loss to you could not exceed £150,000, because that is the total amount of the discounted yield that you expect to get at the third stage from season tickets, and that appears in Section 3 of BH 28, column 16?—It could not exceed that, no.

1778. And in fact it would be very substantially less, would it not?—I have myself made a very broad estimate of the reduction in the yield if the London City Council proposal were applied, and I would put it at something of the order of £50,000.

1779. We are working on incredibly close lines, Mr. Harbour, because that is exactly what I was going to suggest. The reduction would be £50,000; that would be a fair figure to take?—I think so. That is on London Transport Railways only and not on British Railways London Lines, with which London Transport Railways are assimilated.

(Mr. Fay): The Witness is saying that the £150,000 in column 16 would come down to £100,000?

(President): Column 16 in which document?

(Mr. Goff): BH 28, column 16, Section 3, under (B); you will see there the figure of £150,000.

(President): But are you right about its being column 16? If Mr. Fay had said column 7, I would have agreed—or I would not have jumped.

(Mr. Fay): It is the same figure, Sir.

(President): Yes; the other columns have had blanks put in them.

(Mr. Goff): Yes, Sir. Column 16 is a total, and there is nothing to be added to £150,000, so it stops at £150,000.

(President): And you say that it is reduced by £50,000; it is £100,000 instead of £150,000?

(Mr. Goff): Yes, Sir. Now I think I am at least in the position of quantifying what we say is the effect of the proposals. In LCC 1 the discounted yield in column 7 was £586,498; the discounted yield from our proposal in column 10 is £270,573, and the difference is £315,925. In LCC 2 the discounted yield in column 7 is £1,236,862, and the discounted yield in column 10 is £789,239, the difference being £447,623. Then for the coaches the discounted yield which one gets from Appendix D of BH 28 is £81,919, and taking the 60 per cent. split, which the Witness accepted, that would give the discounted yield from our proposal as £33,000, a difference of £48,919. The aggregate of those reductions is £812,467.

(President): Plus the seasons.

(Mr. Goff): Yes, those have to be added on, but the aggregate of the three figures I have just given the Tribunal is £812,467. Then, Sir, to that we have to add certain other items; the seasons, £50,000, and then I also add 60 per cent. of the item for early morning fares in column 16 of BH 28, and that you remember was £10,000, so 60 per cent. of that is therefore £6,000. Then there is one other item to be added to that; that is 60 per cent. of £7,723, which is the figure for day returns which comes from Appendix D of BH 28.

(President): Are not day returns in the ordinary figures?

(Mr. Goff): No, Sir. If you would just look at the Appendix, you will see that we have worked it out. You will see the figure for ordinary fares; that did not include the item below it of 1,130 day returns. They are added together and carried into BH 28, and then there is the 60 per cent. to be added. We therefore add a further £4,634, which is 60 per cent. of £7,723, and the total of that—I hope this is right, because I have had to make an adjustment to my sum owing to the matter which was cleared up in the discussion with my learned friend—but I think the answer is £873,101. So that is the sum of money involved in our proposition, if you carry it right through.

17 February, 1961]

MR. BRIAN HUGO HARBOUR

[Continued]

(The Witness): You looked at me then, Mr. Goff; were you putting that to me?

(Mr. Goff): No; I was just stating it, so that further questioning would go forward on that footing.

(President): We agree the figure, Mr. Goff, whether Mr. Harbour does or does not.

(The Witness): So far as London Transport is concerned, I agree.

1780. (Mr. Goff) (to the Witness): So far as London Lines is concerned, you have not put the Application forward on a yield basis at all, have you?—I thought I had.

1781. You thought that was put forward on the basis that assimilation was right, unless there was anything extravagant in the result, and Mr. Winchester, when he was cross-examined about it, said that he did not mind if he was one million pounds out so far as that was concerned?—I do not put forward the London Lines figures here on the basis—

1782. When you say "here", to what are you referring?—To my exhibits—to the BH set, from 22 to 29, covering London Lines. The figures here are based on budgets of traffic receipts from London Lines fares proposals which have been submitted for London Lines, and the yield of those fares increases are included in the exhibits BH 26 and 28.

1783. BH 26 is the first stage; BH 28 is the second and third stages?—Yes.

1784. And the yield is included in the table, but it is treated separately from London Transport; the total in columns 15 and 16 is the total for London Transport?—That is so. The London Lines figures are shown in columns 2, 3 and 4, and they are added to London Transport in columns 16, 17, 18 and 19, which is a grand total.

1785. Are there any schedules, or is there anything else, which relates the yield which you show for London Lines to expenditure and net revenue?—Not in my group of exhibits.

1786. Nor in any other?

(Mr. Fay): No; it was verbal evidence by Mr. Winchester, and in my second shot at opening.

1787. (Mr. Goff): We have Mr. Winchester's evidence. (To the Witness): There is a yield shown in that table; so far as London Lines is concerned, that was put forward on the lines that there should be assimilation with London Transport?—No, I do not remember Mr. Winchester using that argument. I think Mr. Winchester in his evidence showed that there was a demonstrable case on financial grounds for improving the net revenue of London Lines. For London Lines in its British Railways context, of course, the situation is very well known. London Lines from part of British Railways, and the financial position of British Railways is very well known—they are substantially in deficit.

1788. Yes, indeed, and in so far as London Lines are part of British Railways, they are part of an undertaking which has a very substantial deficit and I suppose is working at a loss?—I suppose so.

1789. And the principle which has been adopted as to London Lines is that they should be assimilated with London Transport Railways in their charges?—That principle has been followed.

1790. And it is followed, is it not, in the day returns which you get in, I think, the Fourth Schedule in the Scheme?—That is the device incorporated so far as ordinary fares are concerned in order to secure an assimilation of fares between London Transport road and rail services and British Railways services.

1791. Is the single fare on London Lines below the ordinary British Railways scale?—Yes.

1792. And then you get the assimilation by the day returns prescribed in the Fourth Schedule?—Yes.

1793. Were you in Court when I cross-examined Mr. Evershed at great length upon the question of the proper contribution that ought to be charged against London Transport in respect of Central Charges?—I was in Court, yes.

1794. And you heard me submit to him, for reasons which were debated at length, that it ought to be at least £0.5m. lower than as taken in your, the British Transport Commission's, submission?—I did hear the debate.

1795. Do you agree that it should be so reduced?—I do not.

1796. I am not going to carry that any further with you, otherwise we should be here for another day and a half discussing it; I put it fully to Mr. Evershed. On the question of reserves, have you directed your mind at all to the question of whether London Transport should have a surplus of receipts over expenditure?—I have, and I deem it to be part of my duty, as a member of the London Transport Executive, to reflect upon the subject.

1797. I always hesitate about these things for fear that I have extracted the wrong figure, but I am right in saying, am I not, that the proposals would produce a surplus of £2.1m. in a future year; I get that from page 28 of the Third Day in the first column. — I seem to recollect that figure, Mr. Goff; may I just have a look at it. It is one of Mr. Evershed's tables, AE 3; £2.1m. is the surplus shown there as the proposed surplus for a future year.

1798. And then he said in evidence as to that, on page 28 in the first column towards the bottom, in the middle of an answer: "... I say that the future year is in a sense an imaginary year in which increases in wages and increases in fares have started simultaneously, and it is only in such a period as that that we shall in fact obtain the surplus of £2.1m. We shall not, for example, earn it in the calendar year 1961". So that is the estimate for the future year. Do you agree with the submission made that in circumstances where you have been forced to raise your charges twice already since this Scheme was settled, and now have to seek a third increase, you ought to keep any surplus as low as possible?—I do not agree with that submission. As I tried to explain the other day, I think that London Transport, if it is to be an efficient and up-to-date undertaking, must be able to place itself in a financially sound position, and I deem an adequate provision—and there is some doubt as to whether this £2.1m. is adequate—to be necessary for that purpose.

1799. It would not be a reserve in the sense of being money in hand; it would merely got to wipe off an existing debt, as things stand at present, would it not?—I heard Mr. Evershed deal with the question; he was explaining that the wiping off of an accumulated deficit is tantamount to the creation of a reserve.

1800. But you agree that the fact is that that is what it would be; it would merely go to wipe off an existing deficit?—It would go to wipe off an existing deficit, or an outstanding debt, and I accept what Mr. Evershed said about its being equivalent to the creation of a reserve.

1801. And do you accept that these constant increases in fares are ill-received by the public?—There have been some fairly frequent increases in fares, and no one is more reluctant to increase fares than is London Transport. There has been some criticism from the public of fares increases, but I would not go so far as to suggest—and I have no evidence of it whatever—that the increases which have been made have been, or would be if another one were made, ill-received by the public in the sense that the ill-feeling would be of a widespread character.

1802. From what you have just been saying—that there have been complaints and so on—it is likely, is it not, that it would be ill-received; do you think that is right?—There have been complaints in the past, and if the fares were again increased, there may be more complaints; but the order of magnitude of the criticism I would put as

17 February, 1961]

MR. BRIAN HUGO HARBOUR

[Continued]

low, and that is a fact which has influenced me in framing the estimates of discounted yield.

1803. As a commercial matter, anything you can do to satisfy the public, or to prevent their being dissatisfied, would be a good thing in itself, would it not?—Yes, certainly. You see, we are on the horns of a dilemma here. The public want everything; they do not want increased fares, but they do want an efficient transport service, and I think we shall give them greater satisfaction if we give them an efficient, well staffed, transport service, even though that involves raising fares.

1804. The proposition which I have put forward on behalf of the London County Council does not go as far as you go, but it does allow for an increase in the fares, does it not?—Yes, I appreciate that.

1805. Then you agree with me, do you, that any endeavour to meet the public feeling, so far as it can properly be done, is a good thing in itself?—I agree with you, but I—

1806. Would you agree with the suggestion that to have half-mile charging and single stage charging is a fairer thing to do than to have a mile charge and the double-stage charge?—No, I cannot agree with that. I think the mile staging is quite fair; it has been in operation for a very long period now, and we know of no sensible volume of criticism of the method of scaling our fares.

1807. But it must in fact be fairer, must it not, because a person does not get charged to the same extent for travel which he neither takes, nor is he allowed to take?—I agree that it could be argued that way.

1808. Yes, and therefore to introduce that principle when you have to increase your fares for the third time would be introducing something for the benefit of the public, and something to cushion the blow of the further increase, would it not?—It would lead to a reduction in the amount of money—

1809. Yes, that is accepted—we are arguing on that basis—but it would be a reduction which would be the cost of introducing a scheme which as we submit would be more fair, and whilst you would be increasing your charges, you would be making a concession to the public by introducing that principle?—Yes, but at the same time—you must allow me to make this point, Mr. Goff—you would be placing a burden on our staff, which I think is—

1810. We have discussed that, and we shall argue it before the Tribunal. If therefore the amount involved in the reduction were not a sum which you felt you could not afford to concede, would you embrace our suggestion?—No.

1811. You would not embrace it, for the reasons you have been giving earlier, namely the difficulties which you say it would create in administration?—Yes.

1812. And for no other reason?—The difficulties in administration and the difficulties in achieving a high standard of fare collection with your half-mile charging scheme on the road services.

1813. I think this must be self-evident, although you would not agree: If you reduce the scale charges by £0.5m., you could then give effect to our proposals through all the stages by taking less than £½m. off the surplus of £2.1m. at which you are aiming—

(President): You can answer that at once, Mr. Harbour; it is subject to mathematics, but the answer is Yes.

1814. (Mr. Goff): Then I will not waste time on that. (To the Witness): The second point is that even without writing down the scale charges at all, you could give effect to the whole of our proposal; and it would still leave you, on your calculations, with a surplus in a future year?—As a matter of arithmetic, yes.

1815. There are a number of smaller points which I have to clear up with you now. The first one deals with the matter which I think I raised with Mr. Winchester; it is that the proposal as to British Railways London Lines, so far as season tickets is concerned (which is BH 28, columns 3 and 4) is to produce a gross increase of £770,000, and a net increase of £280,000. That is item 3, columns 3 and 4 of BH 28?—Yes, I see that.

1816. That means that you lose custom to the value of £490,000 by the manoeuvre, does it not?—The discount applied is 3 per cent. of the traffic on London Lines.

1817. Do you think that that is a large proportion of traffic to lose to get so small a prize?—I do not think so. I think it is unfortunate that increases in fares has this effect, but it does produce £280,000 net receipts annually, and I hope that the use of that additional revenue will give a better service to the 97 per cent. of the season ticket holders who will continue, on my basis, to use the system.

1818. You did not really approach it in that way, did you; you did not consider, in thinking whether you should make this particular increase, whether this would yield a sum with which you could give a better service to the remaining 97 per cent?—Yes. London Lines have their difficulties; a good deal of expenditure is being made on them, and improvements are taking place. Wages have had to be increased, and those additional expenses have had to be financed. All those matters should go towards producing a more efficient transport service.

1819. The loss you suffered, between £770,000 and £280,000 represents people who will find some other way of going to London?—Yes; it represents 3 per cent. I have estimated that 3 per cent. of the existing passengers will find some other way.

1820. They will either go by scooter or private car, their own or their neighbour's?—They will do that, and there is another alternative: they may very well seek work nearer their homes.

1821. That is not very likely to happen, is it?—Yes. I think it is happening to quite a considerable extent. Many of the younger generation, and particularly women-folk, are doing that.

1822. At any rate, they will either come to London by some other means, or they will not come at all?—Yes.

1823. Have you thought about the diminution of traffic which that will produce on the Underground and bus services, because they will not want to get from the London termini to their places of business?—Yes, I have; it is all wrapped up in this loss which I have allowed.

1824. Is it the fact that in respect of this Application the discounted yield is a smaller proportion of the gross yield of any increase in season tickets on London Lines since 1952?—I hope I have a statement here which gives the gross and discounted yields back to 1952—

1825. I have a statement here, which I am going to hand in, and I will ask you if you agree with it; it will be Exhibit SWH 9. (Exhibit handed.) This is a summary of the British Transport Commission's estimates of yield on Applications since 1952?—Yes; I have it.

1826. Column 1 gives the Applications for 1952, 1953, 1954, 1955, 1956, 1957 and the 1958-1959 Scheme; for 1960, the Order of the 14th April; the January 1961 increases on BH 28 and the increases now proposed. They are calculated in thousands, and you will see that the increases are given in column 2. In column 3 and 4 one has the gross and net yields; in column 5 one has the discount—that is the difference—and then the percentage is in column 6.

(Mr. Fay): It is percentage of what on what; can I be told that?

(Mr. Goff): Column 6 is the assumed loss of traffic; it is a discounted figure. Column 7 is the ratio of net to gross yield. (To the Witness): Are you in a position now to say whether you agree with those figures, or would you

17 February, 1961]

MR. BRIAN HUGO HARBOUR

[Continued

like to consider them?—I think I can agree straight away the figures which appear in columns 2, 3, 4 and 5; no doubt they are accurately extracted from published data. I would, however, like to consider the implications and the methods you have adopted in columns 6 and 7.

1828. No doubt you will have that opportunity, but taking the agreement as to columns 2, 3 and 4—

(Mr. Fay): Before my friend goes on, may I ask another question about this? If it is said that it is a percentage loss of traffic, it is wrongly described as a discount; why the 3.0 per cent. turns into 3.11, I do not know.

(Mr. Goff): I think the answer I gave is probably wrong; may I give the answer when Mr. Hill has returned,

because it is his table, and he is the one who can really supply the answer to the question.

(President): Do you want to go on any longer, Mr. Goff?

(Mr. Goff): I have not a lot more for Mr. Harbour, Sir, but it would probably take half-an-hour or so.

(President): Very well; we will resume on Monday morning at 11 o'clock.

(The Witness withdrew)

(Adjourned until Monday, 20th February, 1961, at 11 o'clock)

17 February, 1961]

[Continued]

EXHIBIT BH 28

APPENDIX A

LONDON AREA

BRITISH RAILWAYS — LONDON LINES

Estimated Annual Revenue at Charges Temporarily Authorised by the Tribunal's Order dated 14th April, 1960, based upon Budget Forecast for the Year 1961 and Estimated Annual Increase in Revenue from :—

- (A) Charges Temporarily Authorised by the Tribunal's Order dated 21st November, 1960, and
 (B) Further Increases proposed in the Application under Section 79 dated 5th December, 1960

Ordinary, Day Returns and Excursions, Etc

Item No.	Category of Charge	Years Receipts at charges operative prior to 15th January 1961	Annual Increase in Revenue from Fares Operative from 15th January, 1961			Annual Increase in Revenue from Fares proposed in Section 79 application dated 5th December 1960			Remarks
			Gross Yield	Discounted Yield	Discount Applied	Gross Yield	Discounted Yield	Discount Applied	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1.	Ordinary full fares, single and return :— Excluding L.T. & S. Line L.T. & S. Line	£000's 6,365 1,739	£000's — 50	£000's — 40	 1½ Assumed loss of traffic	£000's — 80	£000's — 60	 1½ Assumed loss of traffic	
	Total	8,104	50	40		80	60		
2.	Day Return fares, etc. ...	8,161	470	260	3% Assumed loss of traffic	390	240	2% Assumed loss of traffic	
3.	Total 1 & 2 ...	16,265	520	300		470	300		

17 February, 1961]

[Continued]

EXHIBIT BH 23
APPENDIX B

LONDON AREA

LONDON TRANSPORT EXECUTIVE — RAILWAYS

Estimated Annual Revenue at Charges Temporarily Authorised by the Tribunal's Order dated 14th. April, 1960, based upon Budget Forecast for the Year 1961, and Estimated Annual Increases in Revenue from:—

(a) Charges Temporarily Authorised by the Tribunal's Order dated 21st November, 1960, and Operative from 15th January, 1961, and

(b) Further Increases Proposed in the Application, under Section 79, dated 5th December, 1960

Ordinary, Day and Evening Returns

Miles	Ordinary Fares				Year's receipts at charges operative prior to 15th Jan., 1961 (Column 2)	Annual Increase in Revenue from Fares Operative from 15th January, 1961 (Column 3)				Annual Increase in Revenue from Fares Proposed in Section 79 application 5th December, 1960 (Column 4)				Remarks	
	Temporarily Authorised and operative from 8th May 1960		Temporarily Authorised and operative from 15th Jan. 1961			Proposed in Section 79 application 5.12.60	Gross Yield	Discounted Yield	Discounts Applied	Gross Yield	Discounted Yield	Discounts Applied			
	s.	d.	s.	d.									(2)		(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
(1)						£	£	£		£	£		£		(12)
1						680,652	—	—	—	—	—	—	—	—	Childrens element included with appropriate adult fares
1½						739,582	—	—	—	—	—	—	—	—	
2						1,124,802	179,615	107,266	5% loss of passengers assumed	—	—	—	—	—	
2½						1,277,437	—	—	—	—	—	—	—	—	
3						851,624	119,743	71,510	5% "	117,028	65,020	5% loss of passengers assumed	—	—	
4						2,481,190	269,156	133,108	5% "	287,161	123,088	5% "	—	—	
5						1,961,523	174,871	122,030	24% "	176,760	120,252	24% "	—	—	
6						1,656,785	124,403	80,487	24% "	156,835	108,342	24% "	—	—	
7						1,402,127	77,255	31,200	24% "	82,625	33,743	24% "	—	—	
8						1,178,652	57,255	22,003	24% "	59,013	31,699	24% "	—	—	
9						868,652	44,478	22,003	24% "	45,700	22,291	24% "	—	—	
10						778,028	35,892	15,908	24% "	45,700	22,291	24% "	—	—	
11						583,440	24,624	9,679	24% "	37,181	16,404	24% "	—	—	
12						525,469	24,624	9,679	24% "	37,181	16,404	24% "	—	—	
13						366,294	28,176	29,357	24% "	25,417	9,954	24% "	—	—	
14						228,154	18,315	18,315	24% "	16,202	1% "	1% "	—	—	
15						158,155	10,544	10,544	24% "	14,441	5,702	15% "	—	—	
16						142,757	9,203	6,326	24% "	8,146	3,760	1% "	—	—	
17						101,491	6,144	5,067	1% "	4,445	2,934	1% "	—	—	

17 February, 1961]

[Continued

18	2 10	3 10	3 2	88,558	7,919	6,954	1%	2,475	1,535	1%
19	3 0	3 3*	3 4	68,706	5,729	4,984	1%	1,886	1,132	1%
20	3 2	3 5*	3 6	38,736	3,174	2,755	1%	895	519	1%
21	3 4	3 7*	3 8	24,949	1,871	1,603	1%	517	346	1%
22	3 6	3 9*	3 10	11,242	768	659	1%	234	150	1%
23	3 8	4 1*	4 2	6,835	458	397	1%	161	100	1%
24	3 9	4 2*	4 4	19,047	1,685	1,477	1%	322	161	1%
25	3 11	4 3*	4 4	9,627	819	715	1%	203	97	1%
26	4 0	4 5*	4 6	13,773	1,435	1,283	1%	130	130	1%
27	4 2	4 7*	4 8	8,258	856	735	1%	284	284	1%
28	4 4	4 9*	5 0	5,684	325	283	1%	153	153	1%
29	4 6	5 1*	5 2	2,531	235	207	1%	85	75	1%
30	4 8	5 3*	5 4	2,136	191	168	1%	47	19	1%
		Other fares		655,479	52,119	37,578	1% (as appropriate)	30,572	18,564	1% (as appropriate)
Total Ordinary Fares		...	...	17,910,000	1,314,416	785,578	Approximately 2½% overall	1,043,148	586,498	Approximately 2% overall
Day Returns, Cheap Evening Returns, 3-day and 5-day Off Peak Tickets, etc. (Not (b))		...	...	700,000	34,132	20,430		11,430	7,723	
GRAND TOTAL		...	...	18,610,000	1,348,548	806,008		1,054,578	594,221	

Day return fares increased in accordance with ordinary scales. Cheap Evening Tickets increased at first stage only. No increase to "Off-Peak" fares

NOTE:—*Charges for 16 miles upward are maximum charges authorised by the Tribunals Order dated 8th July, 1959.

(a) The item "Other Fares" includes through fares to British Railways which do not conform to the London Transport scale of charges, sub-standard fares and fares for journeys of more than 30 miles

(b) Day returns are issued on L.T. Railways only for certain through bookings to sections of line to which B.R. charges apply and for local bookings on the line Harrow-on-the-Hill to Stoke Mandeville (including the Watford and Chesham branches)

17 February, 1961]

[Continued

EXHIBIT BH.28
APPENDIX C

LONDON TRANSPORT

LONDON TRANSPORT EXECUTIVE—ROAD SERVICES (EXCLUDING COACHES)

Estimated Annual Revenue at Charges Temporarily Authorised by the Tribunal's Order dated 14th April, 1960, based upon Budget Forecast for the Year 1961, and Estimated Annual Increases in Revenue from —

(a) Charges Temporarily Authorised by the Tribunal's Order dated 21st November, 1960 and Operative from 15th January, 1961, and

(b) Further Increases Proposed in the Application under Section 79, dated 5th December, 1960.

ORDINARY AND WEEKLY TICKET TRAFFIC (EXCLUDING TRAFFIC DEALT WITH UNDER APPENDIX G)

Miles	Ordinary Fares			Years Receipts at Charges Operative from 15th January 1961 (Column 2)	Annual Increase in Revenue from Fares Operative from 15th January, 1961 (Column 3)				Annual Increase in Revenue from Fares proposed in Section 79 Application dated 15th December, 1961 (Column 4)				Remarks
	Temporarily Authorised and operative from 8th May 1960 (2)	Temporarily Authorised and operative from 15th Jan 1961 (3)	Proposed in Section 79 Application dated 5/12/60 (4)		Gross Yield (6)	Discounted Yield (7)	Discounts applied		Gross Yield (10)	Discounted Yield (11)	Discounts applied		
							Outright loss of passengers assumed (8)	Passenger drop-back to shorter ride (9)			Outright loss of passengers assumed (12)	Passenger drop-back to shorter ride (13)	
1	s. d.	s. d.	s. d.	£	£	£	%	%	£	£	%	%	Children element included with appropriate Adult fares
1½	3 5	3 5	3 5	13,534,135	—	—	—	—	—	—	—	—	
2	6 6	5 5	5 5	8,363,443	—	—	—	—	—	—	—	—	
3	7 7	6 6	6 6	6,758,418	—	—	—	—	—	—	—	—	
4	9 9	8 8	8 8	9,234,284	1,242,090	733,113	2½	10	565,734	415,904	2½	5	
5	11 11	10 10	11 11	5,731,382	599,926	384,971	2½	5	626,846	403,042	2½	5	
6	1 1	1 0	1 1	3,490,013	302,265	194,548	2½	2½	314,119	201,045	2½	2½	
7	1 5	1 2	1 5	2,282,574	166,790	107,271	2½	—	178,784	114,569	2½	—	
8	1 7	1 4	1 7	1,486,214	132,612	82,612	2½	—	140,006	90,603	2½	—	
9	1 9	1 6	1 9	551,076	27,689	22,714	2½	—	48,768	27,250	2½	—	
10	1 9	1 8	1 9	440,873	20,743	13,596	2½	—	29,471	14,617	2½	—	
		Other fares (a)		106,123	1,794	9,282	2½	2½	20,698	8,927	2½	2½—5 (as appropriate)	
	TOTAL	2,486,123	1,515,733	£ Approx.	£ Approx.	1,871,848	1,236,862	£ Approx.	£ Approx.	
	WEEKLY TICKETS	27,000	2,417	1,868	2 Approx.	—	2,363	1,778	2 Approx.	—	

17 February, 1961]

[Continued]

EXHIBIT BH.28

APPENDIX D

LONDON AREA

LONDON TRANSPORT EXECUTIVE—COACHES

Estimated annual Revenue at Charges Temporarily Authorised by the Tribunal's Order dated 14th April, 1960, based upon Budget Forecast for the year 1961, and Estimated Annual Increases in Revenue from :—

(a) Charges Temporarily Authorised by the Tribunal's Order dated 21st November, 1960, and Operative from 15th January 1961 and

(b) Further Increases Proposed in the Application, under Section 79, dated 5th December 1960.

Ordinary and Weekly Tickets

Miles	Ordinary Fares			Year's Receipts at charges authorised Prior to 15th Jan 1961 (Column (2))	Annual Increase in Revenue from Fares Operative from 15th January, 1961—(Column (3))				Annual Increase in Revenue from fares proposed in Section 79 application 5/12/60 (Column (4))				Remarks				
	Operative Prior to 15th Jan 1961	Temporarily Authorised and Operative from 15th Jan., 1961	Proposed Final Scheme		(2)	(3)	(4)	(5)	(6)	(7)	(8)	Discount Applied		Gross Yield	Discounted Yield	(10)	(11)
5	s. d.	s. d.	s. d.	£	172,475	14,941	10,378	21% loss of passengers assumed	15,908	10,938	21% loss of passengers assumed	15,908	10,938	21% loss of passengers assumed	Children's element included with appropriate adult fares		
6	1 1	1 2	1 3	1 3	209,964	15,274	9,614	21%	15,504	10,598	21%	15,504	10,598	21%			
7	1 3	1 4	1 5	1 5	345,511	26,511	10,668	21%	20,748	11,249	21%	20,748	11,249	21%			
8	1 7	1 8	1 9	1 9	187,376	8,906	4,271	21%	10,482	5,429	21%	10,482	5,429	21%			
9	1 9	1 10	1 11	1 11	164,796	7,847	3,531	21%	7,652	3,252	21%	7,652	3,252	21%			
10	1 11	1 12	1 13	1 13	178,777	7,383	2,863	21%	7,959	3,199	21%	7,959	3,199	21%			
11	2 0	2 1	2 2	2 2	172,997	14,416	9,731	21%	10,482	5,429	21%	10,482	5,429	21%			
12	2 2	2 3	2 4	2 4	187,376	14,416	9,731	21%	10,482	5,429	21%	10,482	5,429	21%			
13	2 4	2 5	2 6	2 6	134,156	9,582	5,989	21%	5,086	3,634	21%	5,086	3,634	21%			
14	2 6	2 7	2 8	2 8	132,290	8,819	5,292	21%	4,299	2,880	1%	4,299	2,880	1%			
15	2 7	2 8	2 9	2 9	129,248	8,323	6,948	1%	3,877	2,558	1%	3,877	2,558	1%			
16	2 9	2 10	2 11	2 11	101,004	6,122	7,050	1%	1,840	1,231	1%	1,840	1,231	1%			
17	2 10	2 11	2 12	2 12	106,490	5,947	7,892	1%	2,758	1,655	1%	2,758	1,655	1%			
18	2 12	2 13	2 14	2 14	85,434	6,745	5,823	1%	2,226	1,291	1%	2,226	1,291	1%			
19	2 13	2 14	2 15	2 15	76,854	5,872	5,045	1%	1,795	1,005	1%	1,795	1,005	1%			
20	2 14	2 15	2 16	2 16	100,520	7,180	6,103	1%	2,369	1,279	1%	2,369	1,279	1%			
21	2 15	2 16	2 17	2 17	87,748	5,848	5,483	1%	1,810	1,005	1%	1,810	1,005	1%			
22	2 16	2 17	2 18	2 18	45,889	4,062	3,564	1%	869	502	1%	869	502	1%			
23	2 17	2 18	2 19	2 19	85,907	7,311	6,379	1%	833	383	1%	833	383	1%			
24	2 18	2 19	2 20	2 20	40,385	4,207	3,761	1%	632	278	1%	632	278	1%			
25	2 19	2 20	2 21	2 21	34,077	3,451	3,075	1%	503	202	1%	503	202	1%			
26	2 20	2 21	2 22	2 22	34,077	3,451	3,075	1%	488	186	1%	488	186	1%			
27	2 21	2 22	2 23	2 23	32,650	2,712	2,395	1%	735			735					
28	2 22	2 23	2 24	2 24	27,620	2,466	2,165	1%									
29	2 23	2 24	2 25	2 25	136,268	13,184	11,690	1%									
30	2 24	2 25	2 26	2 26	136,268	13,184	11,690	1%									
Other Fares (Note (b))																	
Total Ordinary Fares ...				3,154,000	220,996	157,228	2% loss of passengers (approx.)	138,882	2% loss of passengers (approx.)	81,919	2% loss of passengers (approx.)	138,882	81,919	2% loss of passengers (approx.)			
Weekly Tickets ...				116,000	7,829	4,204	21% loss of passengers (approx.)	4,170	21% loss of passengers (approx.)	2,305	11% loss of passengers (approx.)	4,170	2,305	11% loss of passengers (approx.)			

Note (a) The item "Other Fares" includes journeys of more than 30 miles and certain non-standard fares.

* Charges for 16 miles are maximum charges authorised by the Tribunal's Order dated 8th July, 1959.

17 February, 1961]

[Continued

EXHIBIT BH.28

APPENDIX F

LONDON AREA

BRITISH RAILWAYS—LONDON LINES

Estimated Annual Revenue at Charges Temporarily Authorised by the Tribunal's Order dated 14th April, 1960, based upon Budget Forecast for the Year 1961, and Estimated Annual Increases in Revenue from increased fares within Existing Charging Powers operative from 15th January, 1961

EARLY MORNING TRAVEL

<i>Receipts at charges operative prior to 15th January, 1961</i>	<i>Gross Yield</i>	<i>Discounted Yield</i>	<i>Remarks</i>
(1)	(2)	(3)	(4)
£000's	£000's	£000's	
3,170	390	240	4% loss of passengers assumed

17 February, 1961]

[Continued]

EXHIBIT BH.28

APPENDIX F

LONDON AREA

LONDON TRANSPORT EXECUTIVE—RAILWAYS

Estimated Annual Revenue at Charges Temporarily Authorised by the Tribunal's Order dated 14th April, 1960, based upon Budget Forecast for the Year 1961, and Estimated Annual Increase in Revenue from increased charges authorised within Existing Powers from 15th January, 1961

EARLY MORNING TRAVEL

Miles	Early Morning Return Fare		Year's Receipts at Charges operative Prior to 15th Jan 1961	Annual increase in revenue from fares operative from 15th January, 1961		
	Operative Prior to 15th Jan 1961	Operative from 15th Jan 1961		Gross Yield	Discounted Yield	Remarks
(1)	(2)	(3)	(4)	(5)	(6)	(7)
	s. d.	s. d.	£			
8	2 9	3 0 *	166,322	15,120	9,677	
9	2 11	3 3	174,737	19,970	12,182	
10	3 1	3 6	194,958	26,346	15,280	
11	3 3	3 8	163,011	20,899	11,703	
12	3 6	3 11	136,656	16,268	8,622	
13	3 8	4 1	117,184	13,316	6,791	
14	3 10	4 4	99,108	12,927	6,205	
15	4 0	4 6	71,345	8,918	4,102	
16	4 2	4 9	63,421	8,879	3,818	
17	4 5	5 0	36,802	4,861	1,944	
18	4 7	5 2	34,287	4,364	1,658	
19	4 9	5 4	29,087	3,572	1,286	
20	4 11	5 7	18,088	2,453	809	
21	5 1	5 9	16,277	2,135	662	
22	5 3	5 11	10,606	1,347	391	
23	5 5	6 2	7,068	979	254	
24	5 7	6 4	10,255	1,377	331	
25	5 8	6 6	5,954	876	193	
26	5 10	6 8	7,214	1,030	206	
27	5 11	6 10	5,612	869	156	
28	6 0	6 11	6,760	1,033	175	
29	6 1	7 0	5,866	884	141	
30	6 2	7 1	2,876	428	64	
Over 30	Over 6 2	Over 7 1	16,506	2,330	154	
	Total	...	1,400,000	171,181	86,804	

Note * Ordinary Fare

17 February, 1961]

[Continued]

EXHIBIT BH.28
APPENDIX G

LONDON AREA

LONDON TRANSPORT EXECUTIVE—ROAD SERVICES (EXCLUDING COACHES)

Estimated Annual Revenue at Charges Temporarily Authorised by the Tribunal's Order dated 14th April, 1960, based upon Budget forecast for the year 1961 and Estimated Annual Increases in Revenue from:—

- (a) Charges Temporarily Authorised by the Tribunal's Order dated 21st November, 1960, and Operative from 15th January, 1961, and
(b) Further Increases Proposed in the Application under Section 79, dated 5th December, 1960.

EARLY MORNING TRAVEL

Miles	DAILY FARE			Years Receipts at Charges operative prior to 15th January, 1961 (5)	Annual Increase in Revenue from Fares Operative from 15th January 1961 (Column (3))			Annual Increase in Revenue from backward journeys at ordinary fares proposed in Section 79 application 5/12/60 (Column (4))			Remarks
	Early Morning Single Fare plus Ordinary Fare for Backward Journey from 15th January, 1961 (2)	Early Morning Single Fare plus Temporarily Authorised Ordinary Fare for Backward Journey from 15th January, 1961 (3)	Early Morning Single Fare plus proposed ordinary fare for backward journey applied for in Section 79 application 5.12.60 (4)		Gross Yield (6)	Discounted Yield (7)	Discount Applied (8)	Gross Yield (9)	Discounted Yield (10)	Discount Applied (11)	
(1)	s. d.	s. d.	s. d.	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
7	2 6	2 8	2 10	193,362	12,892	8,766	2%	12,633	8,340	2%	
8	2 8	3 0	3 1	159,515	19,537	12,759	4%	4,786	3,015	1%	
9	2 10	3 2	3 3	85,533	9,833	6,096	4%	2,359	1,438	1%	
10	3 0	3 4	3 5	32,812	3,647	2,189	4%	875	515	1%	
				469,272	46,309	29,810	3% (Approx.)	20,653	13,308	1½% (Approx.)	

Although no increase in Early Morning Single Fares is envisaged in 1961 beyond those operative from 15th January, a yield will accrue to Road Service early morning traffic by reason of backward journeys to be paid for at the enhanced ordinary fares applied for in the Section 79 Application 5/12/60.

EXHIBIT BH.28
APPENDIX H

LONDON AREA

BRITISH RAILWAYS—LONDON LINES AND LONDON TRANSPORT EXECUTIVE—RAILWAYS

Estimated Annual Revenue at Charges Temporarily Authorised by the Tribunal's Order dated 14th April, 1960, based upon Budget forecast for the year 1961 and Estimated Annual Increases in Revenue from:—

- (a) Charges Temporarily Authorised by the Tribunal's Order dated 21st November, 1960, and Operative from 15th January, 1961, and
(b) Further Increases Proposed in the Application under Section 79, dated 5th December, 1960.

SEASON TICKET RATES

	Years Receipts at Charges operative prior to 15th January, 1961	Annual Increase in Revenue from Rates Operative from 15th January				Annual Increase in Revenue from Rates proposed in Section 79 Application 5/12/60				Remarks
		Gross Yield	Discounted Yield	Discounts Applied	Discounted Yield	Gross Yield	Discounted Yield	Discounts Applied		
B.R. London Lines	£ 15,000,000	410,000	2 per cent Various approximating to 1½% overall	280,000	770,000	3 per cent Various approximating to 1½% overall				
London Transport Railways	4,750,000	155,828		140,586	230,294					

15 February, 1961]

[Continued

TABLE SWH 9

B.R. (LONDON LINES) SEASON TICKETS

Summary of B.T.C.'s Estimates of Yield on Applications since 1952

Application	Proposed Increase				Percentage Discount	Ratio of Net to Gross Yield
	Receipts before Increases	Yield		Discount		
		Gross	Net			
(1)	(2)	(3)	(4)	(5)	(6)	(7)
	£'000	£'000	£'000	£'000	%	%
1952	6,806	1,394	1,270	124	1.51	91
1953	7,608	316	300	16	0.20	95
1954	8,500	496	450	46	0.51	91
1955	9,087	425	370	55	0.58	87
1956	9,393					
1957	10,550	950	720	230	2.00	76
1958-59	12,179	2,810	1,690	1,120	7.47	60
1960						
(1) T.T. Order 14.4.60 BH 26	13,912	1,400	940	460	3.00	67
(2) Jan., 1961, increases BH 28(A)	15,000	730	410	320	2.03	56
(3) Further increases proposed BH 28(B)	15,000	770	280	490	3.11	36

Crown copyright 1961

Published by

HER MAJESTY'S STATIONERY OFFICE

To be purchased from

York House, Kingsway, London W.C.2

423 Oxford Street, London W.1

13A Castle Street, Edinburgh 2

109 St. Mary Street, Cardiff

39 King Street, Manchester 2

50 Fairfax Street, Bristol 1

2 Edmund Street, Birmingham 3

80 Chichester Street, Belfast 1

or through any bookseller